

SB

291/292

(File 1)

SFIN

FILE

	Project Title	Applicant Name	City
1	Anchor River Watershed Information Center	Community Rivers Planning Coalition	Anchor Point
2	Anchor River Watershed Education Project	Elizabeth Wasserman	Anchor Point
3	Educational Website and Virtual Tour for Young People	Frontier Communications	Anchorage
4	Community Involvement Model: CRRS	Chugach Regional Resources Commission	Anchorage
5	Young Scientists: Community-Based Conservation on the Bering Sea Coast	World Wildlife Fund Bering Sea Program	Anchorage
6	Navigating the Waters: A Fisheries Education Resource Guide	Bering Sea Fisherman's Association	Anchorage
7	Educational computer-based animated movie	Frontier Communications	Anchorage
8	Anchorage Coastal Wetlands Initiative	Grant Land Trust, Inc.	Anchorage
9	Alaska Native Statewide Environmental Summit Meeting	Rural CAP	Anchorage
10	Wetland Poster Outreach Contest for Rural Alaska High Schools	Society of Wetland Scientists	Anchorage
11	Yukon River Watershed Longterm Monitoring and Assessment Plan	Yukon River Inter-Tribal Watershed Council	Anchorage
12	Interactive Marine and Coastal Science Exhibit	The Imaginarium, Inc.	Anchorage
13	ATV Trail Mapping and Assessment	ADF&G	Anchorage
14	Cook Inlet Oil and Gas Facilities Survey	ADF&G	Anchorage
15	Little Susitna River & Cottonwood Coastal Watersheds Database	ADF&G	Anchorage
16	Title 16 Permitting Process	ADF&G	Anchorage
17	Understanding Fish Passage Problems in Watersheds	ADF&G	Anchorage
18	Assessment and Restoration of Recreational Impacts	ADF&G	Anchorage
19	Programs in the Park	DNR	Anchorage
20	Salmon Interpretive Panels	DNR	Anchorage
21	Anchorage Bowl Coastal Resource Atlas Project	Municipality of Anchorage	Anchorage
22	Ship Creek Comfort Inn Restoration Project	Anchorage Waterways Council	Anchorage
23	Fish Safety Monitoring Project	DEC	Anchorage
24	Synthesis of Vertebrate Species of Concern	Alaska Natural Heritage Program	Anchorage
25	Prince William Sound Citizen-Based Water Quality Monitoring	National Wildlife Federation	Anchorage
26	Double Eagle/Land Acquisition	Bryan Zak/Yukon Zak LLC	Anchorage
27	N. and SW AK: Ecoregional Conservation Planning	The Nature Conservancy	Anchorage
28	Stream Data Collection for Instream Flow Assessment/Protection	ADF&G	Anchorage
29	Kenai River: Mapping & Monitoring	Dr. Orson P. Smith, UAA	Anchorage
30	Wolverine Creek Cove: Bears, anglers & bear-watchers	ADF&G	Anchorage
31	Deep Creek & Anchor River ORV Impact Assessment & Mitigation Strategy	DNR	Anchorage
32	Alaska Shorebird Project	AK Wilderness Recreation & Tourism Assoc.	Anchorage
33	Glacier Creek Stream Gaging	DNR	Anchorage
34	Little Susitna Public Use Facility Trail Development	ADF&G	Anchorage
35	Little Susitna River Stream Bank Protection Platform	ADF&G	Anchorage
36	Watershed Connections-Enhancing School District Curricula	UAA	Anchorage

37	Contaminant and Nutrient Ecology	North Slope Borough	Barrow
38	Mitigation of Oil & Gas Impacts to Bowhead Whales	Eskimo Whaling Commission	Barrow
39	On-Site Field Inspector: North Slope Oil Field Complexes	North Slope Borough	Barrow
40	Subsistence Monitor/Inspector	Inupiat Community of the Arctic Slope	Barrow
41	Elson Lagoon Cleanup	Native Village of Barrow	Barrow
42	Environmental Sensitivity Index Mapping (W. AK & Bristol Bay)	Research Planning, Inc.	Columbia, SC
43	Science of the Sound	Prince William Sound Science Center	Cordova
44	Orca Creek Restoration Project	Orca Cannery Inc.	Cordova
45	Gulkana River: Habitat Protection and Viewing Platform	Copper River Watershed Project	Cordova
46	Abandoned Debris Removal from Crab Bay	City of Craig	Craig
47	Klawock Watershed Restoration and Education Project	Craig Community Association	Craig
48	Agulowok River Protection Project, Southwest Alaska	Nashagak/Mulchatna-Wood/Tikchik Land Trust	Dillingham
49	Coho Salmon Restoration of the Kametolook River	Bristol Bay Native Association	Dillingham
50	Bristol Bay Salmon Camp	Bristol Bay Economic Dev. Corporation	Dillingham
51	LTF Water Quality Monitoring	ADF&G	Douglas
52	Video Surveillance of the Walrus Island State Game Sanctuary	ADF&G	Fairbanks
53	Resurrection Bay: Baseline Contaminant Monitoring	UAF	Fairbanks
54	North Slope Internship Prog.: Develop Waterbird Catalogue & Ed. Mats	ABR, Inc.	Fairbanks
55	Mapping and Analysis of Coastal Erosion in Northern Alaska	ABR, Inc.	Fairbanks
56	Village Best Practices for Ground Water and Inland River Protection	First Alaska Mgmt. and Marketing	Fairbanks
57	Eider Journey	Arctic Research Consortium of U.S.	Fairbanks
58	Youth Area Watch for Western Coastal Alaska	UAF	Fairbanks
59	Youth Area Watch for Prince William Sound	UAF	Fairbanks
60	Assessing the health of nearshore habitats for Stellar Sea Lion	UAF	Fairbanks
61	Oceanographic Communication and Knowledge	UAF	Fairbanks
62	Marine Environmental Education	University of Oregon	Florence, OR
63	Gustavus Land Legacy	Gustavus Land Legacy	Gustavus
64	An Ecological Baseline Evaluation of the Juneau Tidelands	John H. Crow, Ph.D.	Hackettstown, NJ
65	CRC: Natural Resource & Native History Interpretation Planning Project	Haines Chamber of Commerce	Haines
66	Establishing a Community-Based Water Quality Laboratory	Cook Inlet Keeper	Homer
67	Alaska Coastal Ecology Traveling Education Program	Center for Alaskan Coastal Studies	Homer
68	Mapping Intertidal Habitats	ADF&G	Homer
69	A Model for Regionally Integrated Environmental Education	ADF&G	Homer
70	Addressing sustainable uses in the watershed and marine environment	ADF&G	Homer
71	Homer Beach Protection Policy Implementation	City of Homer	Homer
72	Beach Environment Informational Kiosks	City of Homer	Homer
73	Anchor River Watershed Conservation Program	Homer Soil and Water Conservation District	Homer

74	Diamond Creek Watershed Greenspace System	Devony Lehner	Homer
75	Haida Nation Environmental Youth Coastal Impact Studies	Hydaburg Cooperative Assoc/Haida Nation	Hydaburg
76	Hyder Topographic Model for Education	Hyder Community Association Inc.	Hyder
77	Amphibian Monitoring in SE Alaska Through Educational Partnerships	Juneau School District	Juneau
78	Copper River Delta: Conservation & Enhancement of Razor Clam Beds	ADF&G	Juneau
79	Enhancement & Restoration of Geoduck Clam & Red Sea Cuke Beds	ADF&G	Juneau
80	Native Youth Environmental Broadcast Program	Gastineau Broadcasting Corporation	Juneau
81	Forest Resources and Practices Act Database	DNR	Juneau
82	Seaweed Marine Education Program	DIPAC	Juneau
83	Duck Creek Stream Restoration	SAGA	Juneau
84	Coastal Resource Management Career Camp	SAGA	Juneau
85	Thorne Bay Waterbody Recovery Plan	DEC	Juneau
86	Coastal Watershed Education and Stewardship	Discovery Southeast	Juneau
87	Arctic Coastal Plain HGM Wetland Guidebook	DEC	Juneau
88	Conserving Accreted Land Adjoining the Mendenhall State Game Refuge	SEAL Trust	Juneau
89	ACWA Database, Mapping & Integration	DEC	Juneau
90	ShoreZone Inventory of Cook Inlet and Outer Kenai Pen. Coasts	Cook Inlet RCAC	Kenai
91	Peninsula Pike Project & Daniel's Creek Restoration	Youth Restoration Corps	Kenai
92	Native Wetland Plant Nursery	Alaska Harvester Inc.	Kenai
93	Learning the Kenai River	Paul A. Bryant	Kenai
94	Skyview Natural Resources and Agriculture Demonstration Area	Kenai Soil and Water Conservation District	Kenai
95	Tongass Coast Aquarium Land Acquisition	Tongass Coast Aquarium, Inc.	Ketchikan
96	Orton Ranch Stream Bank Stabilization and Fish	Orton Ranch	Ketchikan
97	Cultural/Conservation Education Camp	Tongass Conservation Society	Ketchikan
98	Lake and Peninsula Borough: Community Profile Mapping	Lake and Peninsula Borough	King Salmon
99	Ugashik River: Removal of Abandoned Winray Barge	Lake and Peninsula Borough	King Salmon
100	Naknek River: Restoration & Enhancement of Frontage & Dock	ADF&G	King Salmon
101	Klawock: ACMP Plan Update and Revision	City of Klawock	Klawock
102	Kametook River coho Salmon Restoration	ADF&G	Kodiak
103	Kodiak Island: ORV/ATV Photographic Documentation and Education	Kodiak Audubon Society	Kodiak
104	Monashka Creek Human Impact Monitoring	Kodiak High School	Kodiak
105	"Alaska's Oceans": Ed. Film for Alaska's K-12 Science Curriculum	Alaskan Oceans Foundation	Kodiak
106	Miller Point Marine Observation Station	DNR	Kodiak
107	Potato Patch Lake: Habitat Restoration and Education	City of Kodiak	Kodiak
108	Whale Fest Kodiak -- Program Enhancement	Kodiak Arts Council	Kodiak
109	OSKAR: Ocean Station - Kodiak, Alaska Region	Alaskan Oceans Foundation	Kodiak
110	Sea Lion Symphony	St. Mary's School	Kodiak

111	Nome District Mapping and GIS Project	City of Nome	Nome
112	Alaskan Coastal Education Plan	Valley Pathways/seeOnline	Palmer
113	Swiftwater Creek Fish Passage & Habitat Improvements	Matanuska-Susitna Borough	Palmer
114	Wasilla High Watershed Inquiry Project	Mat-Su Borough School District	Palmer
115	Mat-Su Borough: GIS Mapping of Coastal Zone Watershed	Mat-Su Borough	Palmer
116	Willow Creek Streambank Restoration	Mat-Su Borough	Palmer
117	Citizen/Community Involvement Model: Port Graham Village Council	Port Graham Village Council	Port Graham
118	Placer River/Turnagain Arm: Interpretive Trail and Viewing Platform	Big Game Alaska, Inc.	Portage Glacier
119	Nelson Lagoon Coastal Protection Project	Aleutians East Borough	Sand Point
120	Littleneck Clam Enhancement in Resurrection Bay	City of Seward	Seward
121	Alaska SeaLife Center - Outreach Program Vehicle	Alaska SeaLife Center	Seward
122	Swan Lake Rehabilitation and Enhancement Project	City and Borough of Sitka	Sitka
123	Katlian Watershed Restoration and Education	Sitka Tribe of Alaska	Sitka
124	Survey, Video, & Educational Field Trip	Greenling Enterprises	Sitka
125	Sitka Sound Harvest Assessment Monitoring and Ed. Outreach	Sitka Tribe of Alaska	Sitka
126	Enhancement of Sheldon Jackson Environmental Science Program	Sheldon Jackson College	Sitka
127	Support for Invasive Species Research in Southeast Alaska	Sheldon Jackson College	Sitka
128	Sea Lion Cove Trail Reconstruction	Sitka Trail Works, Inc.	Sitka
129	Marine Wildlife and Ecosystem Education	Sitka WhaleFest	Sitka
130	Soldotna Community Schools Outdoor Education Camp	Soldotna Community Schools	Soldotna
131	Anchor River: FEMA Flood Insurance Rate Map	Kenai Peninsula Borough	Soldotna
132	Caribou Hills Streambank Protection	Kenai Peninsula Borough	Soldotna
133	Kenai River: FEMA Flood Insurance	Kenai Peninsula Borough	Soldotna
134	Kenai: Coastline Maps and Models	Kenai Peninsula Borough	Soldotna
135	Kenai: Tabular Database Development	Kenai Peninsula Borough	Soldotna
136	Kenai: Document and Image Management System	Kenai Peninsula Borough	Soldotna
137	Kenai: Geographic Database Tool	Kenai Peninsula Borough	Soldotna
138	Kenai Peninsula Borough Resource Analysis	Kenai Peninsula Borough	Soldotna
139	Kenai: Computer-Based Resource Analysis Information Tool	Kenai Peninsula Borough	Soldotna
140	KPB Online Permitting System	Kenai Peninsula Borough	Soldotna
141	Silver Salmon Creek: Priority Culvert Replacement	Kenai Watershed Forum	Soldotna
142	Kenai River: Water Quality Research	Kenai Watershed Forum	Soldotna
143	Pribilof Islands: Marine Debris Removal and Monitoring	Tribal Government of St. Paul	St. Paul
144	Bering Sea Trash Busters	Pribilof Islands Stewardship Program	St. Paul Island
145	Dock and Boat Launch Engineering Study	Traditional Council of Togiak	Togiak
146	Ron Larson Elementary Environmental Stewardship for Youth	Karl Schleich	Wasilla
147	Coastal Watershed Education and Restoration	Wasilla Soil & Water Conservation District	Wasilla

148	Family Centered Coastal & Watershed Education Program
149	Wrangell Resource and Community Mapping
150	Yakutat Bay and Disenchantment Bay Cruise Ship Monitoring

Human Resources Adult Ed. Ctr.
City of Wrangell
City and Borough of Yakutat

Wasilla
Wrangell
Yakutat

SITE: ANCHORAGE LIO

COMMITTEE: SFIN

DATE: 3-6-02

SUBJECT OF MEETING:

SB 292

UPDATE #: 3



DO YOU WANT

P R I N T YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

TO TESTIFY?

Y or N

<u>P R I N T</u> YOUR NAME	ADDRESS (MAILING & ZIP)	REPRESENTING	TO TESTIFY? Y or N
Barbara Miklos		Child Support	Y-SB 292
Email address:			
Patrick Galvin		Div Govt Coordination	Y-SB 292
Email address:			
Doug Griffin		ABC Board	Y-SB 292
Email address:			
Randy Crawford		DPS	Y-SB 292
Email address:			
James Cocknell		DPS	Ans ?s
Email address:			
Email address:			
Email address:			

SB 291 -
SUPPLEMENTAL
APPROPRIATIONS:
FAST TRACK

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 Electrification Fund			7,062.2	PCE EF	7,062.2
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

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
	1(b) & (c)	Administration	Senior Services	Senior Services Employment Program hold harmless -- Federal regulations not promulgated so funds not needed.	-120.0				-120.0
40									
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	100.0				100.0
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				
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

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	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
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 NISC - 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
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

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1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
	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
57									
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
	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
59									
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 \$816,486.95	631.5		185.0	PERS Fund	816.5
74	12(a)	Law		Law Office Assistant reclassification costs			1.7	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					

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1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
	13	Military & Vets	Army Guard Facilities Maintenance	Federal funds for increased telecommunications costs for the Distance Learning project		350.0			350.0
76									
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	30.0				30.0
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
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

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
	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
100									
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
115	17(e)(3)	Transportation		Hillcrest (Anchorage) Bridge Repair- 3rd party repayment for damages.	150.0			General Fund Program Rcpts	150.0

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
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	18,970.0	15,242.8	1,403.8		35,316.3
128									
129	TOTAL FOR BOTH BILLS MINUS THE \$16.5m GF PLACEHOLDER IN FISCAL SUMMARY				22,318.4	121,860.8	34,692.9		178,571.7
130									
131				Ratifications:					
132	20(a)(1)	Transportation		AR 61669-2001 Reimbsble 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					

Change Record Detail With Description
Alaska Court System

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Commission on Judicial Conduct (770)
 BRU: Commission on Judicial Conduct (245)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FY2002 Supplemental - Governor's													
FAST Sec 1 Additional legal fees for FY01 case													
	Suppl	6.8	0.0	0.0	6.8	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	6.8												
See letter dated January 24, 2002													
Totals		6.8	0.0	0.0	6.8	0.0	0.0	0.0	0.0	0.0	0	0	0



FAST SEC(1)

Alaska Commission on Judicial Conduct

310 "K" Street, Suite 301, Anchorage, Alaska 99501
(907) 272-1033 In Alaska 800-478-1033 FAX (907) 272-9309
E-Mail: 103176.2012@compuserve.com

Marla N. Greenstein
Executive Director
E-Mail: 75471.1003@compuserve.com

January 24, 2002

Annalee McConnell, Director
Office of Management and Budget
P.O. Box 110020
Juneau, Alaska 99811-0020

Dear Ms. McConnell:

We have outstanding attorneys fees that could not be covered by appropriated funds for last fiscal year. These are fees directly attributable to a formal investigation and formal hearing undertaken pursuant to the commission's constitutional responsibilities and concern misconduct by an Alaska state court judge. The judge has petitioned the Alaska Supreme Court to reject the recommendation for discipline by the Commission and that matter is currently pending. The fees are owed to one attorney and the supporting documentation is attached. We received the requested supplemental last year as listed below. Unfortunately, we underestimated the appellate attorney's fees at \$15,000. The actual appellate costs, prior to the current fiscal year, were \$25,526.73. Through underspending in some other areas we were able to pay all but \$6,829.77 of those outstanding fees. Consequently, we are requesting a supplemental request to cover our FY2001 appellate attorney fees.

Matthew Jamin, Special Counsel FY2001 Supplemental:
Total fees/costs obligations as of January 2001: \$46,937.44
Anticipated additional fees FY 2001: \$15,000 (briefing and oral argument before the supreme court)
Less FY2001 funds available for hearing fees and costs: \$20,000
Total FY 2001 supplemental request: \$41,937.44 (was appropriated)

Actual additional fees FY 2001: \$25,526.73 (\$10,526.73 over last year's supplemental request)
Amount paid from our FY 2001 operating funds in excess of the supplemental: \$3,696.96
Remaining fees owed FY 2001: \$6,829.77

Please consider this letter with attachments as our written request to include this remaining obligation in the appropriate fast-track supplemental appropriations bill. We have persuaded the attorney, who has been owed these funds for over seven months, not to charge us late fees if we can provide payment in the near future. As always, if you have any questions, please call.

Sincerely,

A handwritten signature in black ink, appearing to read "Marla N. Greenstein".

Marla N. Greenstein
Executive Director

cc w/enc: Rhonda McLeod, Alaska Court System

Jamin, Ebell, Schmitt & Mason
323 Carolyn Street
Kodiak, Alaska 99615
Phone: (907)486-6024
Fax: (907)486-6112

RECEIVED

July 25, 2001

AUG 02 2001

Billed through 07/25/01

Bill number 5942-00002-045 MDJ ALASKA COMMISSION
ON JUDICIAL CONDUCT

ALASKA COMMISSION ON JUDICIAL
310 K STREET, SUITE 301
ANCHORAGE, AK 99501

N RE: JUDGE CURDA

Balance forward as of bill number 043 dated 06/25/01	\$	43,829.77
Payments received since last bill (last payment 07/17/01)	\$	37,000.00

Net balance forward	\$	6,829.77

PROFESSIONAL SERVICES RENDERED

5/28/01 MDJ	Review notice of oral argument; prepare draft of [REDACTED] summary, and memo to [REDACTED] on same.	.20 hrs	30.00
7/02/01 MDJ	Memo from [REDACTED] on [REDACTED] proposal. memo to [REDACTED] on same.	.10 hrs	15.00
7/06/01 MDJ	Memo to and from [REDACTED] on [REDACTED] synopsis.	.10 hrs	15.00
7/13/01 MDJ	Meet with [REDACTED] briefly on theory re: [REDACTED].	.10 hrs	15.00
	Total fees for this matter	\$	75.00

BILLING SUMMARY

MATTHEW D. JAMIN	.50 hrs	75.00
TOTAL FEES	.50 hrs	75.00

Jamin, Ebell, Schmitt & Mason
323 Carolyn Street
Kodiak, Alaska 99615
Phone: (907)486-6024
Fax: (907)486-6112

December 31, 2001

Billed through 12/31/01

Bill number 5942-00002-055 MDJ

ALASKA COMMISSION ON JUDICIAL
310 K STREET, SUITE 301
ANCHORAGE, AK 99501

IN RE: JUDGE CURDA

Balance forward as of bill number 053 dated 11/29/01 \$ 6,829.77

BILLING SUMMARY

TOTAL CHARGES FOR THIS BILL	\$.00
NET BALANCE FORWARD	\$	6,829.77
TOTAL BALANCE NOW DUE	\$	----- 6,829.77

RECEIVED

JAN 09 2002

ALASKA COMMISSION
ON JUDICIAL CONDUCT

YOU CAN PAY BY CREDIT CARD
CALL LINDA OR BRAD AT 907 486-6024

Change Record Detail With Description
Department of Community & Economic Development

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Alaska Science and Technology Foundation (2012)
 BRU: Alaska Science and Technology Foundation (128)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 2(a) Idaho National Engineering and Environmental Laboratory contract													
	Suppl	25.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig	25.0												
<p>The Alaska Science and Technology Foundation (ASTF) has received a contract from the Idaho National Engineering and Environmental Laboratory (INEEL). The INEEL is a science-based, applied engineering national laboratory dedicated to supporting the US Department of Energy's missions in environment, energy, science and national defense. The INEEL is operated for the DOE by Bechtel BWXT Idaho, LLC.</p> <p>The ASTF contract with INEEL includes developing business contacts and identifying, promoting, and helping prepare and negotiate specific business proposals in Alaska for opportunities in environmental, energy, transportation, and other specified areas.</p> <p>The contract begins March 1 and will end in September, with the strong possibility of renewal. The ASTF anticipates \$25,000 in FY 2002, with an additional \$70,000 in FY 2003.</p>													
Totals		25.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description
Department of Community & Economic Development

Scenario: FY2002 Supplemental - Governor's (2454)

Component: International Trade and Market Development (2551)

BRU: Community Assistance & Economic Development (405)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 2(b) Replace International Trade and Business Endowment Funding shortfall													
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	230.4												
1115 InT/BuEnl	-230.4												
<p>Due to the continued decline of earnings from International Trade and Business Endowment, the division is anticipating a funding shortfall of 230.4. This shortfall will seriously hamper the division's ability to perform its mission, including the already scheduled trade missions and major trade shows. Possible layoffs may occur. The division requests that this anticipated shortfall be replaced this fiscal year with general funds.</p>													
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

FAST Sec 3. Palmer Correctional Center Well Replacement FY2002 Request: \$172,200
 Reference No: 36830

AP/AL: Appropriation Project Type: Health and Safety
 Category: Health/Safety
 Location: Sutton Contact: Dwayne B. Peeples, Director
 Election District: Palmer Contact Phone: (907)465-3339
 Estimated Project Dates: 07/01/2001 - 06/30/2003

Brief Summary and Statement of Need:

Project funds the replacement of Well #2, the primary domestic water well, at the Palmer Correctional Center. The original Well failed on January 11, 2002 and is not repairable. Funding will construct a new Well and a well house to contain the operational equipment.

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Stat Desig	\$172,200						\$172,200
Total:	\$172,200	\$0	\$0	\$0	\$0	\$0	\$172,200

State Match Required One-Time Project Phased Project On-Going Project
 0% = Minimum State Match % Required Amendment Mental Health Bill

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

None

Well #2 is the primary domestic water well at Palmer Correctional Center (PCC). It failed on the evening of January 11, 2002. The well was found to be non-repairable and the department is required to execute an emergency construction contract to replace the well.

The water bearing formation has been deteriorating for some time, producing more and more sand and finally gravel up to ¼" diameter. The impellers in the pump were being rapidly ground down to nothing, rendering the pump inoperative. The water bearing formation went from a slow but steady deterioration to a catastrophic failure between the end of November 2001 and the end of December 2001.

During the investigation of the conditions and evaluation of alternatives available, it became clear that the original well was not repairable for the following reasons:

1. Massive production of sand from within the well.
2. Sand production problems due to crooked well casing installed originally in 1982 as a residential style well.
3. Installation of well screen during pump replacement had been attempted in 1999, but it was unsuccessful.
4. Water usage demand has continued to grow from an original demand of less than 100 gpm to the present rate of 200 gpm.
5. The crooked 6" well casing was undersized for the original pump and will not accommodate a pump of adequate size to deliver 200 gpm.

The department could not correct the sand production problems and could not install a pump of adequate size to meet demand. Replacing the pump at a cost of \$10,000 to \$30,000 every other year without meeting the water volume demand was not a good alternative. The only remedy was to drill a new well of adequate diameter to install a large enough pump to meet demand and to equip this new well with the appropriately designed well screen to prevent sand and gravel from entering the pump. The aquifer, research of records show, is a very strong producer, capable of producing more water than flow tests could quantify.

The replacement well is a new 12" hole lined with a minimum of 8" casing installed in accordance with the American Water Well Association standards for vertical alignment. This will allow for installation of well screen to hold the sand out and installation of a 40-hp pump that would produce 200 gpm at 65 PSI.

The larger Variable Frequency Drive (VFD) pump is necessitated by larger demand and the lack of water storage tanks that should be standard design for a water system of this magnitude. The demand must be met directly from the well. Only a 40 HP VFD pump can do this.

Cost Estimate:

The total estimated cost for replacing Well #2 is \$172.2. This includes construction of a new well and a well house to contain the operational equipment.

Per the attached February 11, 2002 memorandum from Deven Mitchell, Dept Manager, Department of Revenue, the source of the statutory designated program receipts is interest earnings on Northern Tobacco Securitization Corporation bonds.

MEMORANDUM

STATE OF ALASKA
Department of Revenue

TO: Annalee McConnell, Director
Office of Management & Budget

DATE: February 11, 2002

FROM: Deven Mitchell
Debt Manager
Department of Revenue

TELEPHONE: 465-3750

SUBJECT: Use of Northern Tobacco Securitization Corporation Bond Proceeds:

On October 26, 2000 the Northern Tobacco Securitization Corporation sold a par amount of \$116,050,000 in bonds. After paying costs of issuance, funding operations, funding a reserve account, funding a capitalized interest account, and accounting for an original issue discount \$93,000,000 was deposited into the proceeds fund to pay for capital projects. As the proceeds are being drawn down as construction is completed, there is currently an additional \$2.8 million in investment earnings available for allowed uses.

Investment earnings on project funds are considered bond proceeds under the tax code. Accordingly, this money has the same restrictions on use as allowed for the bond proceeds by the bond indenture.

The Northern Tobacco Securitization Corporation Series 2000 bonds' proceeds, and interest earnings, can only be used for State capital projects or debt service on the Series 2000 bonds. Since the use of the interest earnings is restricted, the applicable fund source for appropriating the interest earnings would be statutory designated program receipts.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF ADMINISTRATIVE SERVICES

FAST SEC 4
TONY KNOWLES, GOVERNOR

P.O. Box 110650
Juneau, AK 99811-0650
Phone: (907) 465-3082
Fax: (907) 465-2499

MEMORANDUM

DATE: February 11, 2002

TO: Annalee McConnell
Director
Office of Management and Budget

FROM: Janet Clarke *Healke*
Director
Division of Administrative Services

SUBJECT: FY 2002 Fast Track Supplemental Requests

The Department of Health and Social Services requests two fast track FY 2002 supplemental appropriations as indicated below.

BRU / Component	Description	Federal	GF	GF Match	SD/PR	Total
4(a) Medicaid Services	Caseload Growth, DSH, Fair Share	106,618.0		12,712.5	23,903.3	143,233.8
4(b) DFYS/Purchased Services/SAG	Subsidized Adoption and Guardianship program growth		2,529.6			2,529.6
<i>Total Fast Track Supplemental Request</i>		106,618.0	2,529.6	12,712.5	23,903.3	145,763.4

Supporting documentation for these two requests is attached for your review.

Please contact me at 465-1630 should you have questions or require additional information.

Attachments

cc: Jay Livey, Commissioner
Elmer Lindstrom, Deputy Commissioner
Russ Webb, Deputy Commissioner
Budget Section
Orlando Moskito, Finance Officer
Bob Labbe/Nancy Burns, DMA
Theresa Tanoury/Tom Cherian, DFYS

Medical Assistance/Medicaid Services

Fast-Track Supplemental Request – Caseload Growth

The Division of Medical Assistance (DMA) is requesting a supplemental for Medicaid Services as follows:

\$12,712.5	General Fund Match
\$23,903.3	Statutory Designated Program Receipts
\$106,618.0	Federal Funds
\$143,233.8	Total Request

This request includes \$105,084.8 for claims payments and \$38,149.0 for Alaska Fair-Share and Disproportionate Share Hospital payments to be used to offset the increased general fund match requirement.

The Cost of Medicaid

Medicaid programs across the Nation are under extreme pressure due to increases in health care costs exacerbated by a National recession causing people to lose jobs and health insurance who then turn to Medicaid for their health care needs.

The 36-year old program, which pays for one-third of all births and nearly two thirds of all nursing home patients, is caught in a financial vise of soaring costs and declining state revenues. Overall Medicaid spending grew by 11 percent last year. ¹

In addition to current challenges being faced by the entire Nation, Alaska faces its own unique challenges, i.e., higher service delivery costs due to low population density, significant geographic differences, and high operating costs. Health care costs have increased yet providers cannot recover their costs.

The U.S. Bureau of Labor Statistics reports that over the past five years, from 1995 to 2000, the Consumer Price Index for all items for all urban consumers (CPI-U) in Anchorage increased by 8.9% while the cost index for medical care services increased by 27.4%.

Medicaid payment levels and the costs of delivering medical and dental care in Alaska are among the highest in America. Compared to U.S. averages, studies indicate that medical care costs in Alaska are 40% to 50% higher, and are higher in remote locations than in cities like Anchorage or Fairbanks.

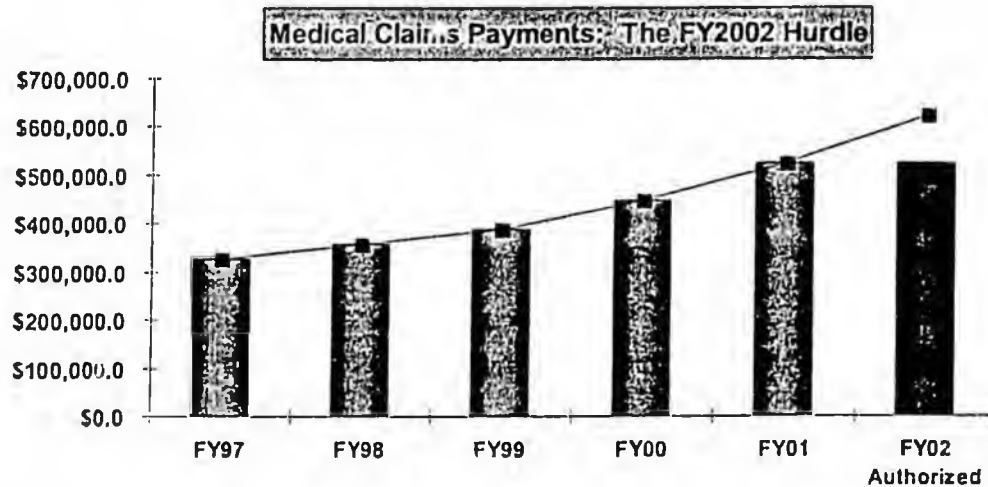
Statewide, the ratio of Medicaid payments to charges was 80% three years ago but has declined to 67% in the past three years. Some doctors and dentists say they are now unable to recover their actual costs for delivering a service. ²

¹ Robert Pear and Robin Toner, "States Face Hard Choices on Medicaid Cuts," The New York Times, January 14, 2002.

² "Access to Health Care and Provider Participation In The Alaska Medicaid Program," Health Management Associates, April 2001.

Alaska's Current Medicaid Problem

The FY 2002 authorized amount for Medicaid Services is \$561,596.9. This amount was appropriated, in part, to pay medical service claims that represented a low case projection of 6 percent over an already low case projection of FY 2001 medical claims payments.



The Alaska Medicaid program began FY 2002 with funds earmarked for payments that totaled \$22 million less than actual expenditures in FY 2001. Current calculations based on to-date actual expenditures and projections through year-end indicate the cost of services provided by Medicaid will be 18 percent above FY 2001 actual claims payment expenditures.

Medicaid projections for this supplemental are based on weekly expenditure patterns cross-checked with the monthly regression analysis of average costs per member per month. A separate total expenditures analysis for the months of July through December of FY 2001 as compared to that same time period in FY2002 is shown further below.

- Total Medicaid expenditures as of December 31, have consumed 54.8 percent of the FY 2002 authorized amount. Prior year expenditures for first six months equaled 46.1 percent of the total fiscal year costs.
- FY 2002 Medicaid monthly expenditures through January 2002 have averaged 17 percent above those of FY 2001.

FAST SEC 4(2)

Medicaid Services FY2001-2002 Monthly Expenditures
 Source: AKSAS through January 2002

	Fiscal Year 2001			Fiscal Year 2002	
	AR 22520-01	AR 22695-01	Quarterly Totals	AR 22520-02	Quarterly Totals
July	48,437.0	0.0		55,409.0	
August	51,249.0	0.0		58,481.0	
September	47,607.0	0.0	147,293.0	50,991.0	164,881.0
October	38,435.0	0.0		55,436.0	
November	46,814.0	0.0		46,321.0	
December	36,806.0	0.0	122,055.0	41,201.0	142,958.0
January	47,688.0	0.0		84,027.0 *	
February	36,430.0	0.0		57,812.3**	
March	84,737.0*	0.0	168,855.0	57,812.3**	209,212.9
April	39,326.0	7,841.0		57,812.3**	
May	61,102.0*	0.0		57,812.3**	
June	36,481.0	0.0		81,715.5**	187,778.8
July PY	614.0	0.0			
August PY	294.0	0.0	145,658.0		
Total	576,020.0	7,841.0	583,861.0	704,830.7	704,830.7

Note: Budget FY01 Actuals are \$583,894, difference due to rounding

* Pro Share and/or DSH payments were issued in these months

** Monthly totals for February through June of 2002 are projected

- The average cost per member per month continues to support September projections of an 18 percent increase over FY 2001.
- Analysis of fiscal year-to-date average monthly eligible numbers and cost per eligible compared to the same time period for the prior year indicated a 7 percent growth in the average number of eligibles (80,232 vs. 85,660) and over 19 percent growth in the average cost per eligible.
- All methodologies, within their innate margins of error, closely support the requested supplemental amount.
- FY 2002 average number of eligible recipients per month is up by more than 5,400 over prior year enrollment for the same time period.

FY 2002 Budget Request

The original FY 2002 Medicaid budget was based on a low-case scenario. In April 2001 a mid-case update was completed that estimated an additional \$8.0 million in general funds would be required, close to the current general fund request. However, the SD/PR requested also serves as match for the Medicaid program, clearly demonstrating that Medicaid costs have moved beyond the mid-case scenario.

FY 2001 Medicaid Payments made in FY 2002

Also contributing to the current year shortfall is \$13.6 million total funds (\$9,012.7 federal funds and \$4,570.9 general funds) to pay for prior year claims pushed forward into FY2002. The FY2001 Medicaid Supplemental request was based, in part, on the program's weekly and monthly expenditure patterns.

From August through February,³ 2001, average monthly expenditures, excluding any ProShare activity, were \$42,000.0 per month. Expenditures for FY 2001 were on track until weekly claims payments shot up in May and June forcing the program into budget relief that resulted in \$13,583.6 of costs pushed forward into FY2002. The amount of the push forward is approximately equivalent to one week of claims.

Eligible numbers reflect a surge upward as well. From August through February, 2001, there was an average of 80,933 eligible recipients each month. This average rose to 84,674 during the months of March through May. While the cost per member per month remained stable, significant cost increases can be identified in FY2001 that added to budget relief and the resulting push forward.

Where Are The Increased Costs?

Services that have been identified as the most expensive from FY 2000 to FY 2001 provide a reasonable portrayal of Medicaid cost increases. A comparison of FY 2002 to-date costs to FY 2001 costs during the same time period for selected services is provided in the table below. This table does not account for provider billing practices, but does provide a current sampling upon which continued FY 2002 costs can be estimated.

FY2001 to FY2002 Selected Medicaid Expenditures Comparisons			
	FY2001	FY2002	Difference
Hospital Services	\$65,822.1	\$73,455.0	\$7,632.9
Pharmacy	\$20,518.1	\$27,156.0	\$6,637.9
Nursing Homes	\$23,814.4	\$28,875.6	\$5,061.2
Mental Retardation & Developmental Disabilities Waiver	\$18,698.3	\$23,324.8	\$4,626.5
Residential Psychiatric Treatment Centers	\$10,568.4	\$15,100.6	\$4,532.2
Transportation	\$9,753.0	\$13,994.7	\$4,241.7
Psychiatric Hospitals	\$5,232.0	\$8,813.5	\$3,581.5
Older Alaskans Waiver	\$6,800.1	\$9,122.4	\$2,322.3
Children with Complex Medical Conditions Waiver	\$2,119.0	\$3,446.2	\$1,327.2
Adults with Physical Disabilities Waiver	\$3,721.6	\$5,010.0	\$1,288.4

Data Source: DMA Financial Services & Recovery Unit

³ July has been excluded to avoid skewing FY2001 monthly averages as a result of FY2000 push forward payments made during that month.

Medicaid Self-Help Proposals

To minimize the impact that this request has on State general funds and the fiscal gap, the Division of Medical Assistance is proposing two refinancing opportunities to generate funds to use as match for the Medicaid program. These proposals are described below.

Alaska Medicaid Fair-Share Program

This proposed program is an extension of the Hospital ProShare Program to Tribal hospitals, which were not excluded from federal regulations restricting ProShare from community hospitals.

Under Fair-Share, the Division of Medical Assistance will make an additional payment for services to Medicaid-eligible beneficiaries to hospitals operated by Alaskan Tribes, up to the payment limit applicable. The hospitals will return 90 percent of the payment to the Medicaid Program as statutory designated program receipts that can be used as match for Medicaid service payments.

The department submitted a state plan amendment on December 28, 2001, for this program extension. The result in FY 2002 could be a general fund savings of \$23,240.4. This proposal for FY 2002 will be difficult to put into place once approval is received and payments may not be made until late June.

Additional Disproportionate Share Hospital

Federal laws that have reduced the allowed payments for Disproportionate Share Hospital (DSH) to the Alaska Psychiatric Institute have freed federal dollars for use by other special needs populations served by qualifying hospitals.

The State is allocated a specific amount of DSH funding each year from the federal government, a portion of which is spent on specific categories of work to be accomplished under an agreement between a facility and the Department of Health and Social Services. Other DSH payments are in response to unusually high utilization of a facility by Medicaid recipients, the uninsured, persons with low income, and children under the age of six years.

The balance of DSH funds available is called Remainder of Government Allocation DSH or ROGA. Qualified facilities that receive a ROGA DSH payment agree to make an intergovernmental transfer to offset Medicaid. ROGA payments for FY 2002 will result in a \$2,397.2 general fund offset.

Fast-Track Request Summary

SUMMARY OF NEED	Total Funds	Federal Funds	General Funds	Other Funds
FY02 Total Authorized	\$561,596,900	\$382,667,700	\$155,907,000	\$23,022,200
FY02 Updated Projection	\$666,681,728	\$444,543,378	\$203,338,352	\$18,800,000
Difference/Shortfall	\$105,084,828	\$61,875,676	\$47,431,352	(\$4,222,200)
SUPPLEMENTAL BREAKOUT	Total Funds	Federal Funds	General Funds	Other Funds
Growth	\$105,084,828	\$61,875,676	\$47,431,352	(\$4,222,200)
AK Medicaid Fair-Share Program	\$25,822,621	\$25,822,621	(\$23,240,359)	\$23,240,359
Special Needs/ROGA DSH	\$12,326,379	\$9,838,462	(\$2,397,220)	\$4,385,137
Total Fast Track	\$143,233,828	\$106,618,001	\$12,712,531	\$23,903,296

Without supplemental funding, the Medicaid program anticipates running out of funds in mid-April.

Purchased Services/Subsidized Adoption and Guardianship Section FAST 4(b)
 AS 13.26.062, AS 25.23.290-240

The Department of Health and Social Services is requesting a \$2,529.6 General Fund supplemental to ensure the continuity of client services in the Purchased Services BRU, Subsidized Adoption & Guardianship component, within the Division of Family & Youth Services. Supplemental funds will be used exclusively for direct grants to clients.

This request is also necessary in order for the State to maintain compliance with Federal and State law regarding permanent placement of children. The Federal Adoption and Safe Families Act and Alaska's HB 375 (Chapter 99, SLA 98) require that we move more quickly to accomplish permanent homes for children. Further, AS 25.23.190 clearly specifies that DFYS cannot deny an eligible child entry into the Subsidized Adoption & Guardianship program.

A hard-to-place child in the permanent custody of the department in a foster home for not less than one year may not be denied the opportunity for a permanent home if the achievement of this depends on continued subsidy by the state.

AS 13.26.062 and AS 25.23.190 — 25.23.240 provides the department with statutory authority and the guidelines to administer the Subsidized Adoption & Guardianship program.

Program Information

The Subsidized Adoption & Guardianship program is an adoption and guardianship incentive program for children with special needs. This program transitions children out of the foster care system and into permanent adoptive and guardianship homes. The subsidy covers the costs for the child's special needs and is available to the family until the child reaches age 18. Currently, there are approximately 1,700 children in the subsidy program.

Without the supplemental, the Department will be unable to make payments on the subsidy contracts as early as May. This would pose a serious financial hardship on many of the guardians and adoptive families and would potentially subject the State to legal action for breach of contract.

Budgetary Issues

The Department projects a \$2,529.6 deficit for the Subsidized Adoption & Guardianship program for FY2002 which is summarized in the following table.

TABLE A	
Subsidized Adoption & Guardianship Program	
Summary of FY2002 Projected Budget Deficit	
FY2002 Gross Authorization:	\$ 12,968.2
Less: RSA's for Adoption Backlog	400.0
Less: EN's for Project Succeed, Adoption Home Studies Grants, NW Resources:	94.4
Equals: Net FY2002 Authorization Available for Subsidy Payments	11,626.8
Less: Projected Subsidy Payments	14,156.4
Projected Deficit:	<u>\$ 2,529.6</u>

Primary Factors Leading to Projected Deficit

Three primary factors, discussed separately below, contribute to this projected budget deficit.

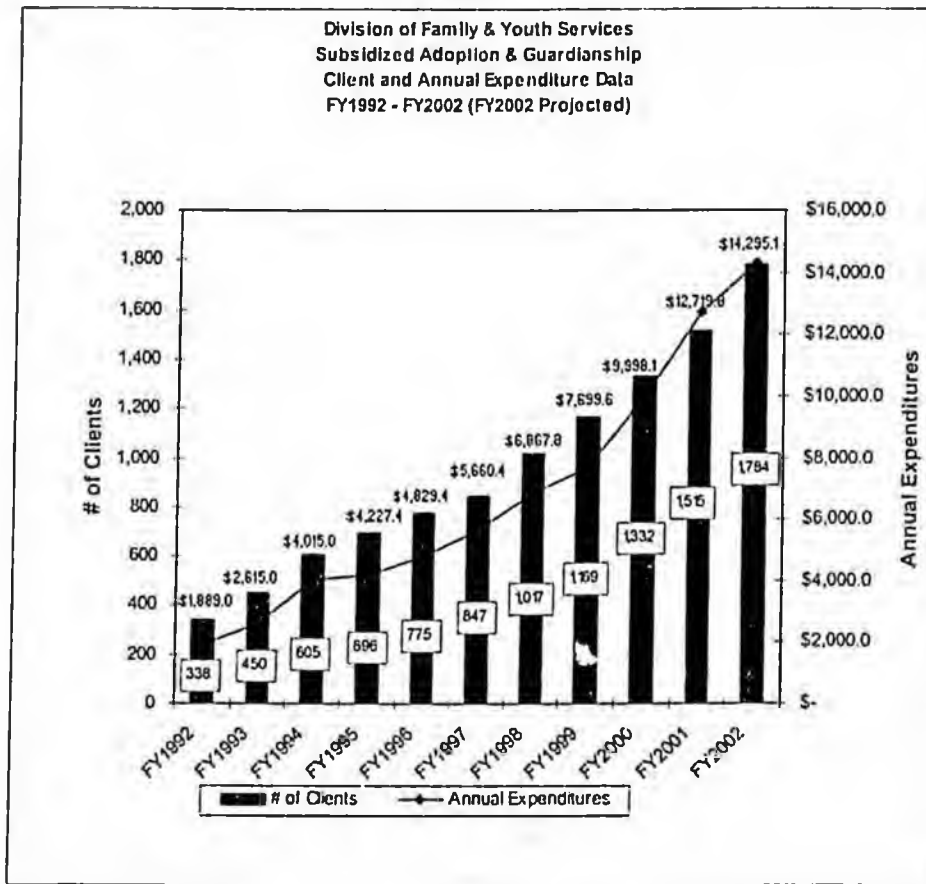
1. FY2002 Under-funded Caseload Growth: The Department's FY2002 budget request included a \$2,287.9 (\$1,463.5 GF and \$824.4 Federal Receipts) caseload growth increment based on an estimated 14.0% caseload growth in the Subsidized Adoption and Guardianship program. In addition, the Governor's FY2002 budget requested a transfer of \$1,000.0 from the Foster Care Base Rate component to the Subsidized Adoption & Guardianship program. Legislative funding of the increment request was reduced by \$1,069.9 and only \$241.8 of the transfer was made. This has resulted in a net growth increment of \$1,218.0 and under funding of the program by \$1,828.1.

Assuming that the average monthly subsidy payment remained constant, the FY2002 funded increment would provide sufficient funding for approximately 9.4% caseload growth. However, based on current data, the Department has subsequently revised its estimate of the FY2002 caseload growth from 14% to 17.7%. This problem is further exacerbated due to increases in the average monthly subsidy payments. The following table shows that caseload growth contributed to approximately 90.5% of the FY2002 incremental subsidy costs, and that the rising cost of monthly subsidies contributed to approximately 9.5% of the incremental costs.

TABLE B		
Analysis of FY2002 Incremental Subsidy Costs		
FY2002 Projected Subsidy Expenditures:	\$14,156.4	
FY2001 Actual Subsidy Expenditures:	<u>12,013.2</u>	
FY2002 Projected Incremental Subsidy Expenditures:	2,143.2	
Breakdown of FY2002 Projected Incremental Subsidy Expenditures:		
FY2002 Incremental Costs Attributed to Caseload Growth:	1,939.6	90.5%
FY2002 Incremental Costs Attributed to Average Cost Increase:	<u>203.6</u>	<u>9.5%</u>
FY2002 Projected Incremental Subsidy Expenditures:	\$ 2,143.2	100.0%

2. Caseload Growth: The next table (Table C) below shows the number of children and annual expenditures data for the Subsidized Adoption & Guardianship program from FY1992 to FY2002 (FY2002 projected based on 17.7% annual growth). At the close of FY2001, there were 1,515 children in the Subsidized Adoption & Guardianship program. The Department anticipates the number of children in the Subsidized Adoption & Guardianship program to increase by 17.7% to 1,784 by the end of FY2002.

Table C

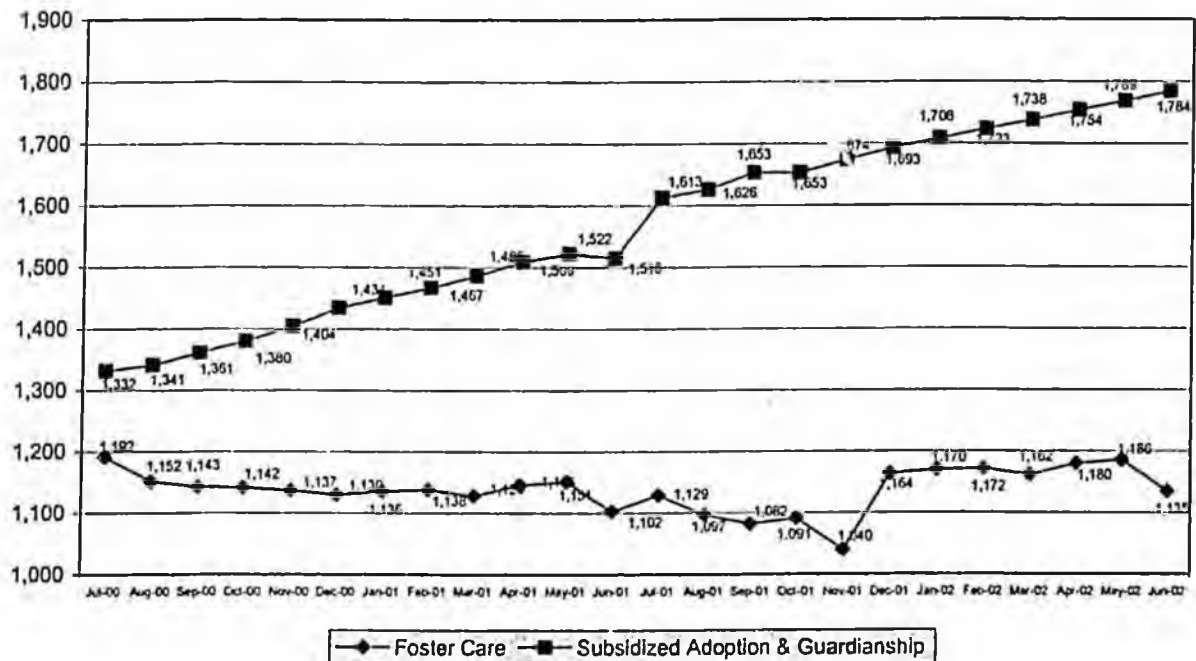


Several factors have contributed to the success and growth of the Subsidized Adoption & Guardianship program, most notable being the State's permanency planning initiatives the Adoption Placement Program (formerly the Balloon Project) and Project Succeed. The Adoption Placement Program provides funds to DFYS, the Attorney General's office, the Public Defender Agency, and the Office of Public Advocacy to increase the State's ability to comply with State and Federal permanency planning mandates and to focus on legal proceedings needed for children who have been in custody the longest period of time.

The overall foster care caseload has decreased over the first four months of FY2002. Preliminary data suggests that this caseload reduction has resulted in large part due to children transitioning out of foster care and into permanent adoptive and guardianship families. The chart below (Table D) illustrates the transition of children from the foster care system to permanent adoptive and guardianship homes. Much of this dramatic shift can be attributed to the success of the Balloon Project.

Table D

Division of Family & Youth Services
 Foster Care and Subsidized Adoption & Guardianship
 Monthly Caseload Data for the Period July 2000 projected thru June 2002



3. **Increased Average Monthly Costs:** As shown previously in Table B, approximately 9.5% of FY2002 incremental subsidy costs are attributable to an overall increase in the average monthly subsidy payment. The average monthly cost for children in the subsidy program has increased from \$647 in FY2001 to approximately \$656 in FY2002. These costs increases can be explained by the increased special needs of children leaving the foster care system and entering the Subsidized Adoption & Guardianship program. The monthly average cost for children new to the subsidy program in FY2002 is approximately \$736; a reduction of \$48 per subsidy from the \$784 average monthly cost for children new to the subsidy program in FY2001.

The Subsidized Adoption & Guardianship program provides the State with a cost effective alternative to foster care.

State and Federal law stipulates that adoption and guardianship subsidy payments may not exceed what would have been paid had the child been in foster care. As shown in the following table, the average cost of care for a child in the Subsidized Adoption & Guardianship program is \$22.77 per day, compared to \$28.74 per day for a child in foster care (includes the foster care base rate and foster care special needs). However, this understates the savings of the subsidy program. The Subsidized Adoption & Guardianship program is designed to aide children with special needs to obtain permanent homes, and many of the children transitioning from foster care to the subsidy program have multiple special needs. The average cost of care for a child receiving augmented foster care is approximately \$48.89 per day, around \$26.00 more than the average daily subsidy rate. There are also indirect cost

FAST 4(L)

savings for Subsidized Adoption & Guardianship cases because these children are typically not carried as part of the DFYS social worker caseloads.

Daily Average Cost Comparison	
Subsidized Adoption & Guardianship Program vs. Foster Care	
Subsidized Adoption & Guardianship:	
(Based on \$656.41 Average Monthly Subsidy)	\$ 22.77
Foster Care Base Rate	\$ 22.34
Foster Care Special Needs	\$ 6.40
Foster Care Base Rate & Special Needs:	\$ 28.74
Foster Care Augmented	\$ 20.15
Foster Care w/Augmentation:	\$ 42.49 (approximately 30.6% receive augmentation)

Fiscal Plan to Cover FY2002 Subsidized Adoption & Guardianship Deficit

On November 6, 2001, as an emergency measure, the Division requested a revised program to temporarily transfer \$1,000.0 from the Foster Care Base Rate program to the Subsidized Adoption & Guardianship component. On that day, the unobligated balance of the Subsidized Adoption Program was \$1,500.00 and additional bills were pending. These funds were temporarily transferred to ensure continuity of adoption subsidy payments. Upon approval of this supplemental appropriation, the Department will process a revised program to return the Foster Care Base Rate funds to cover anticipated foster care payments.

FY2002 Projected Deficit:	\$ 2,529.6
Temporary RP from Foster Care Base Rate:	1,000.0
FY2002 Subsidized Adoption & Guardianship Supplemental:	2,529.6
Reverse temporary RP from Foster Care Base Rate:	(1,000.0)
	\$ 2,529.6

Impact on the FY2003 Operating Budget

The Department has submitted an FY2003 budget increment of \$3,641.9 (\$3,045.8 GF and \$596.1 Federal) to cover the cost of a 14% projected caseload growth.

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Medicaid Services (2077)

BRU: Medical Assistance (74)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions PFT PPT NP		
FY2002 Supplemental - Governor's													
FAST Sec 4(a) FY2001 Medicaid Payments made in FY2002													
	Suppl	13,583.6	0.0	0.0	0.0	0.0	0.0	0.0	13,583.6	0.0	0	0	0
1002 Fed Rcpts	9,012.7												
1003 G/F Match	4,570.9												
Backup justification has been provided under separate cover.													
FAST Sec 4(a) Formula program growth / Alaska Fair Share Program													
	Suppl	129,650.2	0.0	0.0	0.0	0.0	0.0	0	129,650.2	0.0	0	0	0
1002 Fed Rcpts	97,605.3												
1003 G/F Match	8,141.6												
1108 Stat Desig	23,903.3												
Backup justification has been provided under separate cover.													
Totals		143,233.8	0.0	0.0	0.0	0.0	0.0	0.0	143,233.8	0.0	0	0	0

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Subsidized Adoptions & Guardianship (1962)

BRU: Purchased Services (78)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions PFT PPT NP		
FY2002 Supplemental - Governor's													
FAST Sec 4(b) Formula program growth													
	Suppl	2,529.6	0.0	0.0	0.0	0.0	0.0	0.0	2,529.6	0.0	0	0	0
1004 Gen Fund	2,529.6												
Backup justification has been provided under separate cover.													
Totals		2,529.6	0.0	0.0	0.0	0.0	0.0	0.0	2,529.6	0.0	0	0	0

Change Record Detail With Description

Debt Service and Special Appropriations

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Marine Highway Stabilization (1225)

BRU: Fund Transfers (255)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	PFT	PPT	NP
FAST Sec 5 Marine Highway Fund Solvency through FY02													
	Suppl	2,876.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,876.9	0	0	0
1004 Gen Fund		2,876.9											
<p>Current FY02 expenditure and revenue projections for the Alaska Marine Highway System indicate that the Marine Highway Fund will reach the point of being insolvent during FY02. The department has taken measures to restrict spending, and adjusted expenditure projections to reflect lower fuel prices; however the fund deficit is still expected to be \$2,876.9 by the end of the fiscal year. This supplemental request will allow the Marine Highway fund to remain solvent through FY02. The FY02 budget was based on the Columbia repairs being completed on time. The shipyard delivered the vessel several months late during the peak revenue generating season, thus reducing our revenues below the projected level for FY02. Without this supplemental appropriation to the fund, spring/summer ferry service would need to be drastically cut, reducing revenues during the most profitable period, producing a devastating effect on economies and cultural events in both Southwest and Southeast Alaska. Ships would need to be put into lay-up status for extended periods of time and even then we may not be able to cover the shortfall in the System funding.</p>													
Totals		2,876.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,876.9	0	0	0

Change Record Detail With Description

Department of Military and Veterans Affairs

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Disaster Planning & Control (1808)

BRU: Disaster Planning and Control (129)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 6 Operational costs of the 24-hour State Emergency Coordination Center (SECC)													
	Suppl	100.0	70.0	0.0	30.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	100.0												
<p>The Division of Emergency Services (DES) requests FY02 supplemental funding of \$100,000 to support the continuous 24-hour operation of the State Emergency Coordination Center (SECC). This center provides overall coordination of incidents across the State regardless of cause. It is imperative this 24-hour center remain a viable entity to support and coordinate all federal, state and local jurisdiction response efforts associated with any event.</p> <p>The operational costs for FY02 are estimated to be \$450,000. DES received FY02 general funds of \$203,000 for the SECC operation and have reallocated an additional \$147,000 of other project fund sources within the Division to this operation. No further internal operational funds can be made available for this work. The SECC is operating at a deficit and requests this supplemental funding to continue the SECC operations for the remainder of FY02.</p> <p>The deficit amount is due primarily to an underestimation of what is needed to run a 24-hour, 365-day-a-year operation. Additional salary and benefit costs have been incurred under a Letter of Agreement (LOA) between the State and Union which covers shift differential, holiday pay and overtime. The full costs of this LOA were unknown until the agreement was signed late in October 2001, and therefore were not included in the operating budget for FY02. In addition, contractual costs for telecommunications, building costs, training, information management, legal reviews, and personnel/payroll/accounting support have exceeded the original estimate.</p> <p>The FY03 homeland security budget request includes a request for continuation of this funding level, to allow the Department to continue providing the SECC services.</p>													
Totals		100.0	70.0	0.0	30.0	0.0	0.0	0.0	0.0	0.0	0	0	0

MEMORANDUM

DEPARTMENT OF Natural Resources

STATE OF ALASKA

SUPPORT SERVICES

TO: Annalee McConnell
Director, OMB**DATE:** January 18, 2002**FROM:** Carol Carroll
Director, Administrative Services**TELEPHONE:** 465-4730**SUBJECT:** FY02 Reappropriation
Kenai Timber Sales CIP

The Department of Natural Resources requests approval of a reappropriation of the unexpended and unobligated balance (\$310,090.60) of the existing capital project appropriation:

SLA97/CH50/Sec15(k)/P9/L13, (AR40286). "The sum of \$568,000 is appropriated from the general fund to the Department of Natural Resources to prepare and administer the Kalgin Island II, Caribou Hills, South Ninilchik – Dome View, and South Ninilchik Block timber sales in the Kenai Peninsula."

This appropriation for timber salvage in the Kenai Area was intended to reduce fire hazards, accelerate reforestation, and capture the economic value of the infested timber. The appropriation specified that the funds be used on four large salvage sales. The sales were designed to feed timber into the chip market that was active at the time of passage of the legislation.

Through this project, the Division of Forestry designed and sold the 13.8 million board foot Caribou Hills sale, and laid out sales at South Ninilchik and Dome View as originally envisioned. However, economic conditions changed drastically shortly after receiving the appropriation. Foreign chip markets plummeted, the major purchaser of large sales went bankrupt, and the second largest purchaser lost its mill to a fire and decided not to rebuild. When the remaining timber was offered for \$1/MBF, there were no bidders. The specific sales in the original intent language are no longer feasible without a major increase in the funding for reforestation.

To meet the intent of the CIP in the face of drastically changed markets, the Division of Forestry would like to broaden the use of these funds. The Division remains committed to the goals of the project, and recognizes that the need to reduce fire hazards near Kenai communities has even increased. This reappropriation to a new "Kenai Area Timber Sales" project proposes to apply the remaining funds (\$310,090.60) to prepare and administer other smaller salvage sales on the Kenai Peninsula, and use a portion of the money to defray reforestation costs that are a barrier to some purchasers. Sales would be targeted at areas with high risk of wildfire near populated areas.

If you have any questions please call Jean Davis at 465-2422.

cc: Jeff Jahnke, Director, Forestry

Change Record Detail With Description

Office of the Governor

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Elections (21)

BRU: Elections (433)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 8 New Primary Election Voter Education Guide													
	Suppl	25.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	25.0												
<p>The division is requesting a budget supplemental in the amount of \$25,000 to pay the cost of printing a voter guide for the 2002 primary election. This publication is in addition to the normal Official Election Pamphlet published for the general election. The division will print and mail approximately 315,000 voter education guides to every voter household in Alaska. This guide will be used as an informational tool to help educate the voters on the implementation of the new primary election law. The costs for this new voter education guide are included in the FY2003 budget request, but since it needs to be prepared sooner so that the division can meet July registration deadlines, the funding is requested in the FY2002 supplemental budget and will be offset in the Governor's Amended FY2003 budget with a reduction of \$25,000 to the on-election-year funding request.</p>													
Totals		25.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Debt Service and Special Appropriations

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Power Cost Equalization and Rural Electric Capitalization Fund (2500)

BRU: Fund Transfers (255)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions PFT	PPT	NP
FAST Sec 9(a) Appropriate 7% of the Market Value of the PCE Endowment to the PCE Fund													
1169 PCE Endo	Suppl	7,062.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,062.2	0	0	0
		7,062.2											
This section was inadvertently left out of the fiscal year 2002 budget. See attached memo.													
Totals		7,062.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,062.2	0	0	0

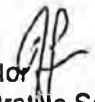
Tony Knowles, Governor

Alaska Department of Community and Economic Development

Memorandum

TO: Annalee McConnell, Director
Office of Management and Budget
Office of the Governor

DATE: February 8, 2002

FROM: Tom Lawson, Director 
Division of Administrative Services

PHONE: 465-2506

SUBJECT: FY 2002 Fast Track Supplemental Requests

In addition to the FY 2002 Operating and Capital Budget Supplemental Requests submitted via ABS, following are the DCED language supplementals.

Power Cost Equalization. In accordance with SLA 00, Chapter 60, Section 14(a)(1), \$7,062,157 needs to be appropriated from the power cost equalization endowment fund (AS 42.45.070) to the power cost equalization and rural electrification fund (AS 42.45.100) in FY 2002. This appropriation would be made for the capitalization of the power cost equalization and rural electrification fund and should not lapse.

Background Information: In SLA 2000, Chapter 60, Sec * 4 provided for funding to be appropriated from the newly created Power Cost Equalization Endowment Fund. However, this was inadvertently overlooked 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.

Power Cost Equalization. The sum of \$56,751 from the FY 2002 appropriation from the power cost equalization and rural electrification fund (AS 42.45.100) to the Department of Community and Economic Development, power cost equalization program, needs to be appropriated to DCED for payment of FY 2001 unpaid grant obligations.

Background Information: 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 FY 2001 obligations. Failure to pass this supplemental request means that AEA will not meet its FY 2001 obligations. AEA's pro rata reduction for FY 2002 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.

Power Cost Equalization. The sum of \$1,100,000 is appropriated from the general fund to the power cost equalization and rural electrification fund (AS 42.45.100). The appropriation made in this section is for the capitalization of the power cost equalization and rural electrification fund and does not lapse.

Background Information: 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.

Please contact me if you have any questions about our FY 2002 Supplemental Budget requests.

Change Record Detail With Description

Debt Service and Special Appropriations

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Power Cost Equalization and Rural Electric Capitalization Fund (2500)

BRU: Fund Transfers (255)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 9(b) Appropriate General Funds to the PCE Fund to Avoid Proration During FY02													
	Suppl	1,100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,100.0	0	0	0
1004 Gen Fund	1,100.0												
See attached memo.													
Totals		1,100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,100.0	0	0	0

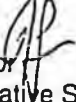
Tony Knowles, Governor

Alaska Department of Community and Economic Development

Memorandum

TO: Annalee McConnell, Director
Office of Management and Budget
Office of the Governor

DATE: February 8, 2002

FROM: Tom Lawson, Director 
Division of Administrative Services

PHONE: 465-2506

SUBJECT: FY 2002 Fast Track Supplemental Requests

In addition to the FY 2002 Operating and Capital Budget Supplemental Requests submitted via ABS, following are the DCED language supplementals.

Power Cost Equalization. In accordance with SLA 00, Chapter 60, Section 14(a)(1), \$7,062,157 needs to be appropriated from the power cost equalization endowment fund (AS 42.45.070) to the power cost equalization and rural electrification fund (AS 42.45.100) in FY 2002. This appropriation would be made for the capitalization of the power cost equalization and rural electrification fund and should not lapse.

Background Information: In SLA 2000, Chapter 60, Sec 14 provided for funding to be appropriated from the newly created Power Cost Equalization Endowment Fund. However, this was inadvertently overlooked 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.

Power Cost Equalization. The sum of \$56,751 from the FY 2002 appropriation from the power cost equalization and rural electrification fund (AS 42.45.100) to the Department of Community and Economic Development, power cost equalization program, needs to be appropriated to DCED for payment of FY 2001 unpaid grant obligations.

Background Information: Due to 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 FY 2001 obligations. Failure to pass this supplemental request means that AEA will not meet its FY 2001 obligations. AEA's pro rata reduction for FY 2002 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.

Power Cost Equalization. The sum of \$1,100,000 is appropriated from the general fund to the power cost equalization and rural electrification fund (AS 42.45.100). The appropriation made in this section is for the capitalization of the power cost equalization and rural electrification fund and does not lapse.

Background Information: 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.

Please contact me if you have any questions about our FY 2002 Supplemental Budget requests.

Change Record Detail With Description
Department of Community & Economic Development

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Power Cost Equalization (1965)
 BRU: Rural Energy Programs (412)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 9(c) Fully Fund PCE for FY 2002													
	Suppl	1,100.0	0.0	0.0	0.0	0.0	0.0	0.0	1,100.0	0.0	0	0	0
1089 Power Cos	1,100.0												
<p>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. To comply with AS 42.45.220(i), beginning July 2001, the program was prorated at 92% and as of February 2002, the proration was revised to 80%. This increased authorization request, combined with the requested appropriation to the PCE fund, 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.</p>													
Totals		1,100.0	0.0	0.0	0.0	0.0	0.0	0.0	1,100.0	0.0	0	0	0

Change Record Detail With Description
Department of Community & Economic Development

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Power Cost Equalization (1965)
 BRU: Rural Energy Programs (412)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 9(d)(1) Reduce PCE authorization to cover FY 2001 obligations													
	Suppl	-56.8	0.0	0.0	0.0	0.0	0.0	0.0	-56.8	0.0	0	0	0
1089 Power Cos	-56.8												
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. AEA's pro rata reduction for FY2002 accounts for this FY2001 requirement. The authorization in this decrement will be used in a new appropriation set up to make payment of these FY2001 obligations.													
Totals		-56.8	0.0	0.0	0.0	0.0	0.0	0.0	-56.8	0.0	0	0	0

Change Record Detail With Description
Department of Community & Economic Development

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Power Cost Equalization (1965)
 BRU: Rural Energy Programs (412)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 9(d)(2) Add PCE authorization to cover FY 2001 obligations													
	Suppl	56.8	0.0	0.0	0.0	0.0	0.0	0.0	56.8	0.0	0	0	0
1089 Power Cos	56.8												
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. AEA's pro rata reduction for FY2002 accounts for this FY2001 requirement. The authorization in this record will be used in a new appropriation set up to make payment of these FY2001 obligations.													
Totals		56.8	0.0	0.0	0.0	0.0	0.0	0.0	56.8	0.0	0	0	0

Change Record Detail With Description

Department of Transportation/Public Facilities

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Northern Region Highways and Aviation (2068)

BRU: Highways and Aviation (408)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST 10(a)(1) Chandalar Maintenance Station closure temporary costs													
	Suppl	127.8	0.0	0.0	0.0	0.0	127.8	0.0	0.0	0.0	0	0	0
1004 Gen Fund	127.8												
<p>A structural evaluation of the Chandalar maintenance station on the Dalton Highway deemed the structure unsafe and it was immediately vacated during the summer of 2001. There are no other buildings in the area that can be utilized on a long-term basis. Because of distance from other maintenance stations and difficulty of road maintenance in this area, crews and equipment can not be shifted to the other camps. A temporary structure was purchased and erected in the fall of 2001. This covers the cost of purchasing the building, freight, removal of old material, and erection of the new building. This structure is made of a plastic-type skin that has an extremely high heating demand. It is only suitable for equipment warm storage on a short-term basis. Without this supplemental funding, existing resources would need to be reallocated and maintenance activities, such as striping, brushing, etc., would be reduced, thus impacting the safety of the traveling public.</p>													
Totals		127.8	0.0	0.0	0.0	0.0	127.8	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Department of Transportation/Public Facilities

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Central Region Highways and Aviation (564)

BRU: Highways and Aviation (408)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST 10(a)(2) East Fork Maintenance Station closure temporary costs													
	Suppl	21.9	21.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	21.9												
<p>A structural evaluation of the East Fork maintenance station deemed the structure unsafe and it was vacated. The East Fork crew was temporarily relocated to Cantwell, which results in lost maintenance time due to the additional commute required of the equipment operators each day. An equipment operator was hired in order to continue providing maintenance to the southern portion of the East Fork area. Without this supplemental funding, we will be forced to reduce the level of service in the area of Parks Highway served by this station, MP 156 at Chulitna Lodge to MP 194.</p>													
Totals		21.9	21.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description
Department of Transportation/Public Facilities

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Central Region Highways and Aviation (564)
 BRU: Highways and Aviation (408)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST 10(a)(3) Willow Maintenance Station closure temporary costs													
	Suppl	45.5	0.0	0.0	40.9	4.6	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	45.5												
A structural evaluation of the Willow maintenance station deemed the structure unsafe and it was vacated. A local hangar at the Willow Airport was rented for temporary shop space and to house a sanding/plow truck and a grader. A Conex building was purchased for warm storage for small equipment and materials. This action is temporary and will not resolve the long-term need for a facility replacement.													
Totals		45.5	0.0	0.0	40.9	4.6	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description
Department of Transportation/Public Facilities

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Northern Region Highways and Aviation (2068)

BRU: Highways and Aviation (408)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST 10(a)(4) Nome Maintenance Station closure temporary costs													
	Suppl	72.0	0.0	0.0	72.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	72.0												
<p>A recent structural evaluation of the Nome maintenance station deemed the building unsafe, and steps are being taken to vacate it. The evaluation concluded that the existing building is not capable of resisting wind and snow loads without danger of complete failure. Safety monitoring of the structural elements of the building is being done daily until alternate leased space is available to assure the safety of the equipment and staff. It will cost \$72.0 for the remaining 4 months of FY02 to lease temporary space to house airport and highway maintenance equipment. Without this supplemental funding, spring road openings will be delayed and other maintenance activities will be reduced, impacting the safety of the traveling public.</p>													
Totals		72.0	0.0	0.0	72.0	0.0	0.0	0.0	0.0	0.0	0	0	0

**FAST 10(b) Chandalar Vehicle Maintenance Building
Replacement Design**

**FY2002 Request: \$456,800
Reference No: 36793**

AP/AL: Appropriation
Category: Transportation
Location: Chandalar
Election District: Rural Interior
Estimated Project Dates: 05/01/2002 - 06/30/2004

Project Type: Construction
Contact: Nancy Slagle
Contact Phone: (907)465-3911

Brief Summary and Statement of Need:

Structural evaluation of the DOT&PF Chandalar Maintenance Building deemed the structure unsafe and it was immediately vacated during the Summer of 2001. The Northern Region was directed to initiate design of a replacement structure, which began December 1, 2001. There is currently no warm storage building in the area for housing the crews and equipment. Per the attached February 11, 2002 memo from Deven Mitchell, Debt Manager, Department of Revenue, the source of statutory designated program receipts is interest earnings on Northern Tobacco Securitization Corporation bonds.

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Stat Desig	\$456,800						\$456,800
Total:	\$456,800	\$0	\$0	\$0	\$0	\$0	\$456,800

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased Project	<input type="checkbox"/> On-Going Project
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

**FAST 10(b) Chandalar Vehicle Maintenance Building
Replacement Design**

**FY2002 Request: \$456,800
Reference No: 36793**

Structural evaluation of the DOT&PF Chandalar Maintenance Building deemed the structure unsafe and it was immediately vacated during the Summer of 2001. The Northern Region was directed to initiate design of a replacement structure, which began December 1, 2001. There is currently no warm storage building in the area for housing the crews and equipment. A temporary structure was purchased and erected in the Fall of 2001. This structure is made of a plastic type skin, with energy rating of R15, and consequently has extremely high heating costs. The tent is only being used as warm storage for equipment and minor mechanical work. Due to the absence of a ventilation system and the structure skin, no welding or grinding can be done. These tasks are being performed at the nearby Alyeska shop.

The conceptual and structural design cost is estimated at \$456.8, and the current construction estimate is \$5,202.0. We will need legislative authority for the design portion as soon as possible and for construction by 05/01/02, in order to advertise and begin construction this summer. The Federal Aviation Administration (FAA) has agreed to participate in \$500.0 of the project, which equates to approximately 9%.

MEMORANDUM

STATE OF ALASKA
Department of Revenue

TO: Annalee McConnell, Director
Office of Management & Budget

DATE: February 11, 2002

FROM: Deven Mitchell
Debt Manager
Department of Revenue

TELEPHONE: 465-3750

SUBJECT: Use of Northern Tobacco Securitization Corporation Bond Proceeds:

On October 26, 2000 the Northern Tobacco Securitization Corporation sold a par amount of \$116,050,000 in bonds. After paying costs of issuance, funding operations, funding a reserve account, funding a capitalized interest account, and accounting for an original issue discount \$93,000,000 was deposited into the proceeds fund to pay for capital projects. As the proceeds are being drawn down as construction is completed, there is currently an additional \$2.8 million in investment earnings available for allowed uses.

Investment earnings on project funds are considered bond proceeds under the tax code. Accordingly, this money has the same restrictions on use as allowed for the bond proceeds by the bond indenture.

The Northern Tobacco Securitization Corporation Series 2000 bonds' proceeds, and interest earnings, can only be used for State capital projects or debt service on the Series 2000 bonds. Since the use of the interest earnings is restricted, the applicable fund source for appropriating the interest earnings would be statutory designated program receipts.

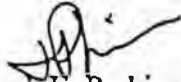
MEMORANDUM

State of Alaska
Department of Transportation & Public Facilities
Commissioner's Office

TO: Annalee McConnell, Director
Office of Management and Budget

DATE: February 8, 2002

FAX NO: (907) 586-8365
TELEPHONE NO: (907) 465-3900


FROM: Joseph L. Perkins, P.E.
Commissioner

SUBJECT: Supplemental request
for FY2002 (Fast Track)

In addition to the FY2002 operating and capital budget supplemental requests submitted via ABS, the Department of Transportation and Public Facilities (DOT&PF) is requesting the following capital budget supplemental item:

The following language change is requested:

Section 100, Chapter 2, FSSLA 1999, page 71, line 32 is amended is d:

	Allocations
Juneau: <u>Gastineau Channel Second Crossing</u> [West Douglas Highway Extension]	600,000

Explanation:

Public Law 105-178, section 1602 dated June 9, 1998, entitled the Transportation Equity Act for the 21st Century contained an appropriation to the State of Alaska for extending the West Douglas Road. City and Borough of Juneau officials requested this project title be changed. The federal transportation appropriations bill, PL107-87, signed by the President on December 18, 2001, included language in section 340 to change this High Priority Project to the Gastineau Channel Second Crossing. The City will provide the match for this amended project. City officials have asked that department staff conduct reconnaissance and preliminary environmental scoping with these funds.

This language change is required as soon as possible to allow the City to begin its work immediately.

If you have any questions or need further information, please contact Nancy Slagle at 465-3911.

CC: Nancy Slagle, Administrative Services Director
Kurt Parkan, Deputy Commissioner
Bob Doll, Regional Director, Southeast Region

FAST Sec 11(a) Fisheries and Ocean Sciences Facility at Lena Point FY2002 Request: \$800,000
 Reference No: 36808

AP/AL: Appropriation Project Type: Construction
 Category: University
 Location: Juneau Areawide Contact: Pat Pitney
 Election District: Juneau Areawide Contact Phone: (907)474-5889
 Estimated Project Dates: 07/01/2001 - 06/30/2005

Brief Summary and Statement of Need:

In FY99 UA received \$1.7 million of NGF authority for the Juneau Fisheries Facility. \$740,000 of this authority has been utilized to date. For UA to have any option to build a fisheries facility in conjunction with the federally funded NOAA/NMFS facility, rock blasting and shared infrastructure costs need to be committed and utilized very soon. The commitment for these costs is \$1.4M which brings the project above the FY99 Auth Level.

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Univ Rcpt	\$800,000						\$800,000
Total:	\$800,000	\$0	\$0	\$0	\$0	\$0	\$800,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased Project	<input type="checkbox"/> On-Going Project
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

During SLA 1998 the Legislature appropriated \$1.7 million of University Receipts for "UA-Juneau Fisheries Facility Planning" (AR 79916, Collocation Code 45141916, Chapter 139, Page 87, Line 28).

BACKGROUND

Since 1996, UA began planning a classroom/research lab facility to be located on a shared site adjacent to a The National Oceanic and Atmospheric Administration (NOAA)/National Marine Fisheries Service (NMFS) office/research facility at Lena Point, 10 miles north of Juneau. During SLA 1998 the Legislature appropriated the use of \$1.7 million of University Receipts for "UA-Juneau Fisheries Facility Planning" (AR 79916, Collocation Code 45141916, Chapter 139, Page 87, Line 28). Since June 1998, a consultant was selected for design, and the schematic design for the UAF facility was completed in December 2000. In July of 2000, NOAA and UA entered into a Memorandum of Agreement (MOA) for the project. UAF has also participated in the planning and design of utilities to be built by NOAA that will be used by UAF.

NOAA is planning to advertise for bids for their facility in February 2002. In accordance with the terms of the MOA, funding for the UAF portion of NOAA's project must be supplied in advance of the obligation.

PROJECT SCOPE

The scope of work to be constructed by NOAA for the benefit of the UAF facility include the following utilities: filtered seawater, unfiltered seawater, seawater disposal, potable water, and wastewater disposal. NOAA is constructing an on-site wastewater treatment facility. In addition to the utility work, a bid alternate was included in the NOAA bid package that would perform rock excavation (i.e. blasting). It is necessary for UA to perform this work simultaneously with NOAA to prevent disruption or damage of the NOAA facility at a later date. In order to perform both the utility work and the rock excavation on the UAF site, the \$1.7 million non-general fund appropriation will need to be increased by \$800,000 to a total of \$2.5 million.

The schematic design for the UAF facility has been completed. The facility is 41,500 square feet. It consists of a 37,400 square foot main office/lab building and 4,100 square foot outdoor lab and storage space.

CONSULTANT

ECI Hyer was the selected consultant. The key subconsultants on their team are NBBJ (laboratory planning), Petrovich, Nottingham and Drage, Inc. (civil engineering), PDC Consulting Engineers, Inc. (electrical and mechanical engineering).

FUNDING

The original \$1.7 million was funded from transferred bond funds, interest bearing advances from the accumulated earnings of the land-grant endowment, and an allocation of spending distributions of the Natural Resources Fund. The spend rate for the project has allowed interest earnings on the transferred bonds to grow. These interest earnings will allow funding of the NOAA construction costs.

BUDGET

\$740,000*	Spent to date for NOAA design, UAF Schematic design, UAF project management
\$900,000*	Construction Cost of NOAA utilities
\$500,000*	Construction Cost of UAF rock excavation
\$170,000*	UAF Project Management and Division of Design & Construction indirect costs
\$150,000**	Contingency
\$2,460,000	Total non-general fund budget need

*UA receipts

**UAF receipts

FAST Sec 11(b) UAA-HVAC Piping Replacement Phases FY2002 Request: \$0
 1-4 Reference No: 36797

AP/AL: Appropriation Project Type: Renewal and Replacement
 Category: University
 Location: Anchorage Areawide Contact: Pat Pitney
 Election District: Anchorage Areawide Contact Phone: (907)474-5889
 Estimated Project Dates: 07/01/2001 - 06/30/2006

Brief Summary and Statement of Need:

This explains the title change to an existing FY2002 UAA capital appropriation to include the unforeseen emergency of HVAC piping replacement at UAA. The Governor will propose a corresponding amendment to the major maintenance bond package so that UAA will have sufficient funds to complete the original items funded in the FY2002 capital appropriation

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased Project	<input type="checkbox"/> On-Going Project
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

UAA HVAC Piping Replacement

A major failure of underground piping in the UAA campus core occurred late in the summer 2001. Specific pipe failure reasons that attributed to this failure include (a) existing high water tables which caused the pipes to be submerged in unusually high water acidity which expedited electrolysis and metal corrosion, (b) lack of sufficient cathodic protection and (c) welding joint leaks. Total replacement cost for Phases 1-4 is \$1,897,258.

⊙ Phase 1

EM-2 to Science, underground piping:

The Energy Module 2 (EM-2) mega infrastructure for underground heating and cooling lines to the Science Building was completed 25 years ago and has exceeded the useful life expectancy of 15 years. Upon exposing the piping for assessment it was apparent both the heating and cooling lines had excessive corrosion and penetration holes that had deteriorated the piping beyond repair.

⊙ Phase 2

Science to Engineering underground piping:

Upon testing and pressurization of the EM-2 HVAC system of Phase 1 above, it was apparent the continuation piping lines from the Science Building that services the Engineering Building HVAC system had also failed.

⊙ Phase 3

EM-2 to Physical Education Building (PEF):

The HVAC system supply/return piping for EM -1 between the Physical Education Building (PEF) and EM-2 have the same aforementioned site conditions. Based on similar distances between the energy modules to the facility mechanical rooms and like materials, the associated replacement costs for Phases 3-4, are estimated to be approximately the same as for Phases 1-2.

⊙ Phase 4

Physical Education Building (PEF) to College of Arts and Science (CAS) underground piping:

The remaining piping from EM-2 to College of Arts and Science building (CAS) will ultimately have to be replaced due to the same aforementioned site conditions. Based on similar distances between the energy modules to the facility mechanical rooms and like materials, the associated replacement costs for Phases 3-4, are estimated to be approximately the same as Phases 1-2.

Underground piping typically is not a preventative maintenance item that can be scheduled for routine service. Site conditions and unforeseen circumstances usually dictate the action to be taken. In this case the HVAC system was operational, however, a significant loss of water and pressure were the primary indicators of a leak somewhere in the piping supply or return lines. After viewing the condition of this piping, replacement is the only available option.

SB 292
SUPPLEMENTAL

SB 292
SUPPLEMENTAL
APPROPRIATIONS

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 Bldg 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 Electrification Fund			7,062.2	PCE EF	7,062.2
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

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
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 Gaslineau 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
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

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
	1(b) & (c)	Administration	Senior Services	Senior Services Employment Program hold harmless -- Federal regulations not promulgated so funds not needed.	-120.0				-120.0
40									
	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
41									
	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
42									
	2(b)	Comm & Ec Dev	Power Project Fund	Denial Commission Appropriation to the Power Project Fund		4,900.0			4,900.0
43									
	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
44									
	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
45									
	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
46									
	3(c)	Corrections	Parole Board	Shortfunding in operations due to increased prisoner hearings and Parole Board' activity	100.0				100.0
47									
	3(d)	Corrections	CIP	Offender Tracking Information System Development		762.0			762.0
48									
	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
49									
	5(a)(1)	Education	Pupil Transportation	Cost for new bus routes approved in current year	541.6				541.6
50									
	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
51									
	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
52									
	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
53									
	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				
54									
	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
55									
	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
56									

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
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	CIF	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
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					

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
	13	Military & Vets	Army Guard Facilities Maintenance	Federal funds for increased telecommunications costs for the Distance Learning project		350.0			350.0
76									
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 refinancing 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	30.0				30.0
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	Batters 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 normal 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
97	16 ()	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

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
	16(e)	Revenue	Treasury Division	Repeal fiscal note funding for Ch. 32, SIA 2001 (HB 149 Kenai Private Prison) since Kenai voters did not approve the private prison development.	-20.0				-20.0
100									
	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
101									
	17(b)(1)	Transportation	Central Region Facilities	Fuel and Utility Cost Increases	240.9				240.9
102									
	17(b)(2)	Transportation	Northern Region Facilities	Fuel and Utility Cost Increases	230.6				230.6
103									
	17(b)(3)	Transportation	Southeast Region Facilities	Fuel and Utility Cost Increases	140.3				140.3
104									
	17(b)(4)	Transportation	Central Region Highways & Aviation	Fuel and Utility Cost Increases	381.0				381.0
105									
	17(b)(5)	Transportation	Northern Region Highways & Aviation	Fuel Cost Increases	569.2				569.2
106									
	17(b)(6)	Transportation	Southeast Region Highways & Aviation	Fuel Cost Increases	39.2				39.2
107									
	17(c)(1)	Transportation	Ted Stevens Anchorage International Airport (TSAIA) Administration	Utility Cost Increases			10.0	Internal'l Airports Rev Fund	10.0
108									
	17(c)(2)	Transportation	TSAIA Facilities	Utility Cost Increases			467.0	Internal'l Airports Rev Fund	467.0
109									
	17(c)(3)	Transportation	TSAIA Field & Equipment Maintenance	Utility Cost Increases			60.0	Internal'l Airports Rev Fund	60.0
110									
	17(c)(4)	Transportation	TSAIA Safety	Utility Cost Increases			8.0	Internal'l Airports Rev Fund	8.0
111									
	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
112									
	17(e)(1)	Transportation		Glenn Highway Rut Repair from McCarrey St. to Highland Rd.		6,000.0			6,000.0
113									
	17(e)(2)	Transportation		Dimond Boulevard Rut Repair		6,000.0			6,000.0
114									
	17(e)(3)	Transportation		Hillcrest (Anchorage) Bridge Repair- 3rd party repayment for damages.	150.0			General Fund Program Rcpls	150.0
115									

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
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			2,000.0
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: \$ 2,204.11	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	18,970.0	15,242.8	1,403.8		35,316.3
128									
129	TOTAL FOR BOTH BILLS MINUS THE \$16.5m GF PLACEHOLDER IN FISCAL SUMMARY				22,318.4	121,860.8	34,692.9		178,571.7
130									
131				Ratifications:					
132	20(a)(1)	Transportation		AR 61669-2001 Reimbursable 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	4,730,000.00				
136	21			AR 37313-01 Fire Suppression					
137	22			Lapse Provisions					
138	23			Retroactivity					
139	24			Effective Dates					
				Immediate Effective Date					

Change Record Detail With Description

Department of Administration

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Finance (59)

BRU: Centralized Administrative Services (13)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 1(a)(1) Payroll Software Conversion and Programmer Training													
	Suppl	150.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		150.0											
\$150.0 GF is needed to provide payroll programmer training and to purchase software to enable programmers to convert the payroll system from ADABAS to DB2 and to more efficiently update and modify the current payroll system. Conversion from ADABAS to DB2 is a major undertaking and one that is required by the payroll system vendor.													
Totals		150.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Department of Administration

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Protection, Community Services, and Administration (2083)

BRU: Senior Services (8)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 1(a)(2) General Relief Grants													
	Suppl	273.0	0.0	0.0	0.0	0.0	0.0	0.0	273.0	0.0	0	0	0
1004 Gen Fund	273.0												
<p>The FY2002 General Relief budget was reduced by the legislature by \$247.3. That amount plus an additional 25.7, which covers projected growth, is needed to provide for projected General Relief payments for the remainder of FY2002.</p> <p>The General Relief financial assistance program provides for the protection and safety of disabled and aging adults who would otherwise be subject to neglect, abuse, abandonment and exploitation.</p>													
Totals		273.0	0.0	0.0	0.0	0.0	0.0	0.0	273.0	0.0	0	0	0

Change Record Detail With Description

Department of Administration

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Leases (81)

BRU: Leases (316)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 1(a)(3) Leases Underfunding													
	Suppl	1,300.0	0.0	0.0	1,300.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	1,300.0												
<p>Current projections indicate the Leases budget is in need of an additional \$1,300.0 GF for FY2002. The legislature reduced the FY2002 Governor's Leases budget by \$1,900.0. However, through aggressive management of the leases program we have been able to reduce our shortfall by \$600.0.</p>													
Totals		1,300.0	0.0	0.0	1,300.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Department of Administration

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Leases (81)

BRU: Leases (316)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 1(a)(4) Anchorage Jail Lease Payment Shortfall													
	Suppl	4.8	0.0	0.0	4.8	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	4.8												
<p>General funds were appropriated in Section 27(g), Chapter 60, SLA 2001 for payment of obligations to the Municipality of Anchorage for the Anchorage Jail. The amount appropriated is insufficient to meet the state's obligation for FY2002. An additional \$4.8 is needed to make this debt payment.</p>													
Totals		4.8	0.0	0.0	4.8	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Department of Administration

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Office of Public Advocacy (43)

BRU: Legal and Advocacy Services (11)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 1(a)(5) Funding Shortfall													
	Suppl	1,865.0	0.0	0.0	1,865.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	1,865.0												
<p>Current expenditure projections indicate the Office of Public Advocacy (OPA) will need an additional \$1,865.0 GF to meet obligations in the current year. OPA has no ability to refuse cases assigned it by the Court. Projections are based upon actual expenditures for the first half of FY2002.</p> <p>The underfunding for OPA is the result of several factors. The Governor's FY2002 budget was reduced by \$600.0. In addition, funding in the amount of \$185.0 that has been paid to OPA via interagency receipts from the Department of Health and Social Services for the past several years was reduced from that Agency's budget in FY2002. Other interagency receipt funding included in OPA's budget for the Balloon Project was also reduced. Finally, caseload increases, and in particular, increases of the more expensive kinds of cases OPA is assigned have occurred.</p>													
Totals		1,865.0	0.0	0.0	1,865.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Department of Administration

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Public Defender Agency (1631)
 BRU: Legal and Advocacy Services (11)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 1(a)(6) Funding Shortfall													
	Suppl	600.0	0.0	0.0	600.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	600.0												
The FY2002 Public Defender (PD) shortfall is caused by a number of factors. First, fiscal notes for three bills passed in 2001 (HB 132, HB 172, and HB 179) were shortfunded a total of \$415.9. Second, the FY2002 Governor's budget was reduced by over \$1.0 million, not including a reduction of funding in other agency budgets that the PD collected as interagency receipts. Finally, like the Office of Public Advocacy, the PD is unable to refuse cases assigned it by the Court. Despite cost saving measures being employed by the PD, \$600.0 of additional GF is needed to keep the agency functioning for the remainder of FY2002.													
Totals		600.0	0.0	0.0	600.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Department of Administration

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Public Defender Agency (1631)

BRU: Legal and Advocacy Services (11)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 1(a)(7) Mental Health Court Attorney													
	Suppl	73.0	73.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1092 MHTAAR	73.0												
Funding is needed to cover the costs of the Public Defender Agency's participation in the Mental Health Court. The Mental Health Court is a priority of the Alaska Mental Health Trust Authority who approved MHTAAR funding for this purpose in September of 2001.													
Totals		73.0	73.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Department of Administration

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Senior Employment Services (1983)
 BRU: Senior Services (8)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 1(b) and (c) Decrease Funding for Senior Employment Program													
1004 Gen Fund	Suppl	-120.0	0.0	0.0	0.0	0.0	0.0	0.0	-120.0	0.0	0	0	0
		-120.0											
Totals		-120.0	0.0	0.0	0.0	0.0	0.0	0.0	-120.0	0.0	0	0	0

An increment of \$120.0 was received in FY2002 in anticipation of new regulations from the U.S. Department of Labor that would have increased costs of the Senior Employment Program. The new regulations have not yet been promulgated and the funding will not be used.

Change Record Detail With Description
Department of Community & Economic Development

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Alaska Aerospace Development Corporation (1424)
 BRU: Alaska Aerospace Development Corporation (127)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 2(a) Replace ASTF Funding Shortfall													
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1025 Sci/Tech	-311.9												
1101 AERO Rcp	311.9												
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Due to the continued decline of earnings from Alaska Science and Technology Endowment, the component is anticipating a funding shortfall of 311.9. This shortfall will seriously hamper the Alaska Aerospace Development Corporation's (AADC) ability to perform its mission. Without this funding, layoffs may occur. The AADC requests that this anticipated shortfall be replaced this fiscal year with Alaska Aerospace Development Corporation Receipts.

Change Record Detail With Description
Department of Community & Economic Development

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Alaska Aerospace Development Corporation Facilities Maintenance (2362)
 BRU: Alaska Aerospace Development Corporation (127)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 2(a) Replace ASTF Funding Shortfall													
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1025 Sci/Tech		-69.2											
1101 AERO Rcp		69.2											
Due to the continued decline of earnings from Alaska Science and Technology Endowment, the component is anticipating a funding shortfall of 69.2. This shortfall will seriously hamper the Alaska Aerospace Development Corporation's (AADC) ability to perform its mission. The AADC requests that this anticipated shortfall be replaced this fiscal year with Alaska Aerospace Development Corporation Receipts.													
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Debt Service and Special Appropriations

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Power Project Fund (2617)

BRU: Fund Transfers (255)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 2(b) Federal Recelpts Appropriated to the Power Project Fund													
	Suppl	4,900.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,900.0	0	0	0
1002 Fed Rcpls	4,900.0												
See attached memo.													
Totals		4,900.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,900.0	0	0	0

Alaska Department of Community
and Economic Development

Memorandum

TO: Annalee McConnell, Director
Office of Management and Budget
Office of the Governor

DATE: February 8, 2002

PHONE: 465-2506

FROM: Tom Lawson, Director *TL*
Division of Administrative Services

SUBJECT: FY 2002 Supplemental Requests

In addition to the FY 2002 Operating and Capital Budget Supplemental Requests submitted via ABS, there is one language supplemental:

Alaska Energy Authority. The amount of \$4,900,000 in federal receipts needs to be appropriated to the power project fund (AS 42.45.010). The appropriation is for the capitalization of the power project fund and should not lapse.

Background Information: The Denali Commission has approved \$4,900,000 in loans that are to be issued through the Power Project Fund. Loans would be made for projects selected for financing under the Alaska Energy Cost Reduction Program. A recent solicitation under the Program resulted in identifying 15 cost-effective hydroelectric, heat recovery, electrical line extension, and diesel efficiency projects. This supplemental request allows the power project fund to receive the federal funding and grant the loans. The effective date for this supplemental request is May 1, 2002.

Please contact me if you have any questions about our FY02 Supplemental Budget requests.

Sec 2(c) Kodiak Launch Complex Improvements

FY2002 Request: \$20,000,000
 Reference No: 36813

AP/AL: Appropriation
 Category: Development
 Location: Kodiak Island Borough
 Election District: Kodiak
 Estimated Project Dates: 05/01/2002 - 06/30/2007

Project Type: Equipment
 Contact: Pat Ladner
 Contact Phone: (907)561-3338

Brief Summary and Statement of Need:

Kodiak Launch Complex improvements, including infrastructure safety upgrades, range safety system and road improvements. Alaska Aerospace Development Corporation expects to receive \$20,000,000 in federal receipts from the U.S. Department of Defense. The grant is expected to be received in May.

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Fed Rcpts	\$20,000,000						\$20,000,000
Total:	\$20,000,000	\$0	\$0	\$0	\$0	\$0	\$20,000,000

State Match Required One-Time Project Phased Project On-Going Project
 0% = Minimum State Match % Required Amendment Mental Health Bill

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

Change Record Detail With Description

Department of Corrections

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Facility-Capital Improvement Unit (696)

BRU: Administration & Operations (271)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 3(a) Kenai Private Prison Reappropriation to Inmate Health													
	ReAprop	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<p>The funds appropriated for the Kenai Private Prison are being reappropriated within the department to help fund inmate health care needs. These funds were provided for the Department to enter into a Twenty-Year agreement predicated on an agreement with a private third-party contractor who would construct and operate a private prison facility by providing custody, care and discipline for persons held by the commissioner of Corrections under authority of state law. The community of Kenai voted to deny support of a private prison in the area, so the funds are no longer needed for the original intent.</p>													
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Department of Corrections

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Inmate Health Care (705)

BRU: Administration & Operations (271)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 3 (b) Health Care Operation Deficit													
	Suppl	1,839.5	676.1	0.0	832.2	331.2	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	1,839.5												
<p>The Department of Corrections has experienced significant increases in the cost of providing medical care to sentenced and un-sentenced offenders. This has resulted from continued inflation of pharmacy costs, staff salaries and contract physician and hospital care.</p> <p>Personal service costs have increased as a result of nursing and medical staff shortages, these shortages have increased the use of overtime and the use of on-call substitutes. The department has been unable to significantly reduce staffing and overtime due to the nature of the labor-intensive environment necessary to meet the offender populations needs.</p> <p>In addition, increased cost for contract purchase hospital and physician services from inflation and medical necessity has been above the appropriation level which was subsidized by other operating funds in FY2001. Contract medical services have historically been supported either through operating budget supplemental or in FY 2000 and FY2001 from departmental Retirement Incentive Program savings that are no longer available.</p> <p>Pharmaceutical costs nationwide have risen substantially over the past 2 years and are continuing to rise at a rate that exceeds other medical cost index increases. Superimposed on this increase have been the correctional population growth and the medical needs of this population. Given the current expenditures for FY2001 and FY2002, the department will require additional funds in FY2003.</p>													
Totals		1,839.5	676.1	0.0	832.2	331.2	0.0	0.0	0.0	0.0	0	0	0

Change Record Ignoring Included Scenarios

Department of Corrections

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Parole Board (695)

BRU: Parole Board (447)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 3 (c) Parole Board Operating Shortfalls													
	Suppl	100.0	0.0	40.0	60.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	100.0												
<p>To accommodate increased prisoner hearings and Parole Board activity relating to mandatory, discretionary and special medical parole releases and revocations. A considerable increase in numbers of hearings and parole activity has matched the growth in prison population that has occurred in the past five years, and expenditures incurred in the meeting the Board's statutory obligations have increased as a result. Incremental funds are requested to cover Parole Board member/staff travel and members compensated time associated with the conduct of parole activity statewide.</p> <p>The DOC anticipates a supplemental of \$100.0 will be necessary to maintain the existing activities in compliance with statutory requirements.</p>													
Totals		100.0	0.0	40.0	60.0	0.0	0.0	0.0	0.0	0.0	0	0	0

**Sec 3(d) Offender Tracking Information System
Development**

**FY2002 Request: \$762,000
Reference No: 36798**

**AP/AL: Appropriation
Category: Law and Justice
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2001 - 06/30/2004**

**Project Type: Information Systems
Contact: Dwayne B. Peeples
Contact Phone: (907)465-3339**

Brief Summary and Statement of Need:

This project funds development of additional working programs within the Offender Tracking Information System (OTIS).

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Fed Rcpts	\$762,000						\$762,000
Total:	\$762,000	\$0	\$0	\$0	\$0	\$0	\$762,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased Project	<input type="checkbox"/> On-Going Project
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

Chp 96 SLA 91 \$300,000; Chp 103 SLA 95 \$750,000; Chp 100 SLA 97 \$600,000; Chp 139 SLA 98 \$1,074,000; Chp 2 FSSLA 99 \$1,000,000, and Chp 61 SLA 2001 \$400,000.

**Sec 3(d) Offender Tracking Information System
Development**

**FY2002 Request: \$762,000
Reference No: 36798**

The Alaska Department of Corrections (DOC) will be finalizing the installation of a new Offender Tracking Information System (OTIS) to manage offenders under supervision of the Department. This system will provide accurate and timely reports on dispositions of those offenders and projections for future planning. Under the first three phases DOC has developed the design of the "Management Information and Reporting System". Through Phase 4, DOC will achieve the following goals: create a comprehensive database of quality historical data; install technical capability to access data for data maintenance and aggregate information and reporting; improve interagency data access and information; improve data integrity and tracking and case management of offenders, and increase internal operating efficiency.

This project has been reviewed and approved by the TIC/TAC Committee in FY98, FY99, FY00, FY01, and FY02. There are no significant changes to funding amounts, or technologies. This project funds the final phase of conversion and implementation of the Agency's Offender-Based State Correctional Information System (OBSCIS) to the new OTIS database.

The DOC has spent or committed approximately \$7.2 million of operational and capital funds to-date from prior year appropriations bringing up a new data management infrastructure across all the work sites. The department requires this additional \$762.0 of federal funds to finalize the conversion and implementation of the new OTIS database's final modules development and implementation. Funding will cover needed analyst/programmer support for consultant fees for developing needed modules including health care records modules, probation records, inmate programs, commissary, local CRC & Jail interfaces, scheduling, and other systems development, integration, testing, and documentation.

The Agency's database interfaces daily with Public Safety's APSIN system, Law's PROMISE system, and the Alaska Court System. The project will enable all Alaska Law Enforcement agencies to have timely and accurate prisoner information. Project also ensures that accurate and timely prisoner records are kept for Victim services across the state and nation. This project is a core development in the Agency's long-range technology plan. Without this new OTIS system and the various programs these funds will develop and implement, the Department of Corrections will not be capable of maintaining their portion of the State's automated electronic data environment for law enforcement records.

The Following OTIS Modules will be funded by this capital request. The modules will complete the OTIS project and will automate almost all of the manual processes within the Department, and allow faster and more accurate access to inmate information and interaction with the rest of the State's Criminal Justice System (Courts, Law, and Public Safety):

<u>MODULE</u>	<u>ESTIMATED COST</u>
CRC/Local Jail Interface	\$60.0
Inmate Programs/Records	\$50.0
Medical Health/Client Billing	\$470.0*
Public Integration	\$30.0
Quality Control Auditing	\$67.0
Judgment/Restitution Interface	\$30.0
Scheduling/Agencywide	<u>\$55.0</u>
Total	\$ 762.0

*Note: Funds were appropriated in the FY2002 Capital Bill to address development and implementation of the Medical Module, however, since that time two of the other "Partner" State's have withdrawn from participating in converting to this new type of OTIS system leaving only Alaska and one other state involved. This has greatly increased the development cost to the Alaska DOC and as a result, more funding will be necessary to cover the full costs of the Medical Module development.

This new OTIS system will maximize services to the public through electronic data, optimize government efficiency by enabling accurate, timely prisoner records to all users, and will affect the way other public agencies do their business. This project will provide improved public safety, reduce legal exposure, reduce waste in litigation research, cost avoidance through staff efficiency and utilization, provide improved fiscal analysis of crime legislation, improve policy and procedure dissemination, and better compliance with State and Federal agency information requirements.

Improved Public Safety: Public Safety, an essential government service, will be enhanced. Reliable and timely information concerning offender booking, sentencing, past history, fingerprinting, movement, program participation, discipline, release, escape, and probation/parole is critical, not optional, for protection of the public.

Reduced Legal Exposure: The State will benefit from improved accuracy concerning violent criminal offenders, and from

**Sec 3(d) Offender Tracking Information System
Development**

**FY2002 Request: \$762,000
Reference No: 36798**

reduced liability for failure to maintain adequate records and transmit accurate information in a timely manner. When fingerprints are transmitted electronically to the Department of Public Safety and their criminal history record search is transmitted electronically back to the booking institution, any warrants, detainers, holds, or identification of an alias used in booking can be made available. Without this capability, an individual without identification can use an alias and may be released on bail, bond, or his/her own recognizance even though there may be a serious threat to public safety.

Reduce Waste in Litigation Research: Another benefit in terms of litigation will be the avoidance of tedious paper file searches in response to discovery motions filed by inmates' attorneys in the Cleary and other civil litigation. A computerized record system which can sort pieces of information by subject would reduce the amount of time that DOC and Department of Law employees spend on these time-consuming discovery requests. Accurate responses would enhance the State's chances of prevailing in much of the litigation, reducing damages paid to inmates. This would be true in claims concerning inmate property and violation of other rights claimed by inmates.

Cost avoidance through Staff Efficiency and Utilization: All institutions and probation staff, as well as administrative and support staff, perform MIS functions in an inefficient manner during much of their workday due to the inadequacies of the MIS system. Staff perform a lot of paper record transactions getting information on prisoners and probationers between and among law enforcement agencies. Computerized improvements in computing sentence lengths, good time reductions, classification scores, furlough and parole eligibility notices, progress reports, etc., would free up hours of security and surveillance staff time without overtime or hiring of new positions.

Accurate Fiscal Analyses of Crime Legislation: Such capabilities are also critical in order to properly assess the fiscal impact of crime legislation which is considered during every legislative session. Proposals to increase sentences for certain crimes can have multi-million dollar impacts on DOC, but estimates are often impossible due to lack of readily accessible data addressing the components of the crimes being considered for sentence increases. The benefit to the State of an adequate MIS will be to enable legislators to properly weigh the fiscal implications of crime legislation against available resources, thus prioritizing public safety issues more accurately. DOC will benefit by avoiding passage of bills which will greatly increase prison populations without being able to justify the appropriate increases in resources, or in some instances, to avoid requesting unnecessarily excessive resources if the impact is actually less than estimated based upon anecdotal experience and guesswork.

Improve Policy and Procedure Dissemination: The current policy and procedure manual is a three volume hard copy. Revisions, deletions, and new policies are sent to all components by mail or courier and inserted into the institutional policy and procedure manuals. Since the manuals are so voluminous and upkeep is so time-consuming, there are very few volumes available for staff in any institution and some volumes are not adequately updated. A line staff person has no way of knowing, when reviewing a policy, whether a revision has been made subsequent to the date on the policy. A computerized policy and procedures manual will ensure that all staff are using the same, most up-to-date policies, as well as reducing mail, courier, and FAX costs.

Better Compliance with State and Federal Agency Information Requirements: The Immigration and Naturalization Service requests information concerning incarcerated aliens which currently is difficult to track. The Department of Revenue, Permanent Fund Dividend Division, relies on DOC to identify all convicted felons incarcerated in a given year in order to withhold PFD's as required by statute. Because the current offender database system does not identify the underlying charges in cases of probation and parole violations, this information is difficult to access and results in weeks of re-checking appeals for PFD denial. Numerous national correctional associations and research agencies request inmate profile information, budget information, and facility data in order to compare Alaska with other correctional systems across the nation in annual statistical reports. Alaska is often unable to participate due to lack of research capabilities.

There will be no anticipated cost increase on current ITG services and DOC does not expect an increase in ITG service levels due to these upgrades. The capabilities of the new OTIS system will not expand the bandwidth currently available from ITG services. Future enhancements which could increase service demand on ITG services, such as broader bandwidth, will be discussed and planned out with ITG, and state funding sought to cover the full costs of such enhancements before implementation of the data service. DOC is participating, along with several other state agencies, in a feasibility study with DOA's/DMV Division on new picture database technology which is geared towards field operations. We hope that the feasibility study will result in database enhancements that will help contain future costs of ITG services. As for operational day-to-day database maintenance, the DOC provides all the systems maintenance to its OTIS database system.

**Sec 3(d) Offender Tracking Information System
Development**

**FY2002 Request: \$762,000
Reference No: 36798**

The \$762.0 of federal funds are required to complete the final phase of the Agency's offender database replacement project and allow the Department to contribute and exchange data electronically with other Criminal Justice Agencies and to provide program evaluation, policy analysis, and long-range planning on all day-to-day operations of the Agency. There is no GF Match Requirement.

As it strives to fulfill its mission, DOC faces increased need for information. The effectiveness and efficiency of operational and managerial efforts are affected by DOC's ability to process information quickly and accurately. Both the types and volumes of information to be managed are increasing. The beneficiaries of an improved information system for the DOC would include not only DOC staff, but the general public; victims of offenders; the authorizing agencies; local, state, and federal criminal justice agencies; other state and federal agencies; and offenders.

Change Record Detail With Description

Debt Service and Special Appropriations

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Disaster Relief Fund (2497)

BRU: Fund Transfers (255)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 4 Disaster Relief Fund for Core Emergency Preparedness and Operations Costs													
	Suppl	680.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	680.0	0	0	0
1004 Gen Fund	680.0												
See attached memo.													
Totals		680.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	680.0	0	0	0

Sec 4

MEMORANDUM


STATE OF ALASKA

DEPARTMENT OF MILITARY & VETERANS AFFAIRS

ADMINISTRATIVE SERVICES

TO: Annalee McConnell
Director, OMB

DATE: January 17, 2002

FROM:  Carol Carroll
Director, Administrative Services

TELEPHONE: 465-4730

SUBJECT: FY02 Disaster Relief Fund
Supplemental Funding

The Department of Military & Veterans Affairs requests FY02 supplemental funding of \$680,000 general fund to capitalize the Division of Emergency Services' (DES) Disaster Relief Fund (DRF). This money will fund the base staffing in DES for FY03. Funding has been requested in prior years through the operating budget process, but legislative preference and precedent seems to be this supplemental funding method.

The \$680,000 core services appropriation from the DRF directly funds ten full-time equivalent positions and provides the match for another ten positions within the Division. This represents approximately 50% of the Division's staff, which is dedicated full time to disaster response and recovery activities.

If you have any questions please call Jean Davis at 465-2422.

cc: Dave Liebersbach, Director, Emergency Services

Change Record Detail With Description
Department of Education and Early Development

Scenario: FY2002 Educ&Early Dev Supplemental (2477)
 Component: Pupil Transportation (144)
 BRU: Pupil Transportation (426)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 5(a)(1) Pupil Transportation - New Routes													
	Suppl	541.6	0.0	0.0	0.0	0.0	0.0	0.0	541.6	0.0	0	0	0
1004 Gen Fund	541.6												

In the FY2002 budget process, the department relied on school districts to project their level of reimbursement for the pupil transportation program. During the current school year, it became apparent that school districts did not include the costs of additional bus routes in their projections. Additional routes have been added for FY2002 such as regular routes, special education, and summer school.

The FY2002 Authorized funding level of \$50,564,000 is not sufficient to cover the projected reimbursement for eligible transportation services. Without the additional \$541,600, the department will be required to prorate the school district payments for FY2002.

The table on the following page illustrates the differences between the FY2002 projections used for the budget and the actual entitlements by school district:

Totals	541.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	541.6	0.0	0	0	0
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FY2002 Pupil Transportation Costs

DISTRICT	FY02 AUTHORIZED	FY02 PROJECTION UPDATED 11-01	DIFFERENCE FY02 AUTHORIZED-- FY02 UPDATED
ALASKA GATEWAY	557,676	562,854	5,178
ALEUTIANS EAST	70,648	70,648	0
ALEUTIANS REGION	0	0	0
ANCHORAGE	15,983,832	15,983,832	0
ANNETTE ISLAND	19,674	22,770	3,096
BERING STRAIT	56,697	59,949	3,252
BRISTOL BAY	290,330	305,776	15,446
CHATHAM	12,780	12,244	(536)
CHUGACH	0	0	0
COPPER RIVER	688,500	688,900	400
CORDOVA	65,348	87,129	21,781
CRAIG	103,000	103,000	0
DELTA/GREELY	785,000	830,000	45,000
DENALI	352,543	333,428	(19,115)
DILLINGHAM	417,645	419,763	2,118
FAIRBANKS	8,10,574	8,491,067	180,493
GALENA	51,780	50,538	(1,242)
HAINES	188,700	177,050	(11,650)
HOONAH	43,747	30,481	(13,266)
HYDABURG	0	0	0
IDITAROD	64,140	64,140	0
JUNEAU	1,994,643	1,962,354	(32,289)
KAKE	26,768	26,760	0
KASHUNAMIUT	2,900	4,800	1,900
KENAI PENINSULA	4,634,090	4,594,877	(39,213)
KETCHIKAN	1,266,562	1,238,181	(28,381)
KLAWOCK	28,600	19,603	(8,997)
KODIAK	1,068,426	1,153,427	85,001
KUSPUK	213,272	213,272	0
LAKE & PENINSULA	104,500	93,654	(10,846)
LOWER KUSKOKWIM	539,284	526,000	(13,284)
LOWER YUKON	1,139	2,304	1,166
MAT-SU	9,304,797	9,341,873	37,076
NENANA	111,286	118,267	6,981
NOME	262,737	262,737	0
NORTH SLOPE	535,000	680,400	145,400
NORTHWEST ARCTIC	52,200	52,200	0
PELICAN	0	0	0
PETEKSBERG	139,962	139,503	(459)
PRIBILOF	0	0	0
SIYKA	548,500	549,600	1,100
SKAGWAY	5,191	4,913	(279)
SOUTHEAST ISLAND	253,000	240,505	(12,495)
SOUTHWEST REGION	175,548	260,433	84,885
ST. MARY'S	2,000	1,620	(380)
TANANA	30,489	30,489	0
UNALASKA	198,410	201,200	2,790
VALDEZ	336,690	363,366	26,676
WRANGELL	181,112	181,821	709
YAKUTAT	63,849	64,919	1,070
YUKON FLATS	93,950	93,950	0
YUKON/KOYUKUK	120,237	179,895	59,658
YUPIIT	220	3,000	2,780
CONTRACTS--Approx	206,000	206,000	0
TOTALS (incl. contracts)	50,563,984	51,105,504	541,519
Projections based on information provided by districts			

Change Record Detail With Description
Department of Education and Early Development

Scenario: FY2002 Educ&Early Dev Supplemental (2477)
 Component: Schools for the Handicapped (151)
 BRU: K-12 Support (53)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Soc 5(a)(2) Out of State Placement													
	Suppl	165.5	0.0	0.0	0.0	0.0	0.0	0.0	165.5	0.0	0	0	0
1004 Gen Fund	165.5												

The Department of Education & Early Development requests a supplemental of \$166,500 to cover the education costs for Alaska children in the custody of the Department of Health & Social Services (DHSS), Division of Family & Youth Services (DFYS), who are placed in out-of-state residential care in FY2002. The current FY2002 budget for these services is \$500,000 which is approximately 25% below current projections. These children are the responsibility of the state and qualify for public education. The following out-of-state facilities are providing this residential care:

- Christie School Cleo Wallace Center
- Intermountain Center (ID/MT) The Oaks Psychiatric
- San Marcos Psychiatric Yellow Stone Boys & Girls
- St. Mary's Home for Boys Copper Hill Youth
- The Pines Colorado Boys Ranch
- Cinnamon Hills Lake View Neurorehab Center
- Heritage

DHSS/DFYS utilizes Alaska Medicaid certified psychological treatment facilities for children with extensive psychological needs. Due to the limited number of in-state treatment beds, some children in DFYS custody are sent to out-of-state treatment facilities. These out-of-state treatment facilities provide schooling, and educational costs are built into the daily bed rate. Most of these children are Medicaid-eligible, however, the education portion of residential treatment is not Medicaid reimbursable.

Based on October 22, 2001 data, DFYS has 54 children in out-of-state residential psychological treatment facilities. This count includes 12 children placed in this fiscal year and 42 children in the facilities who were placed in FY2001. DFYS is projecting \$666,500 for the education cost of these children, \$166,500 above the amount currently budgeted in for FY2002. The number of children in out-of-state placement will vary throughout the year. The lack of in-state resources to meet the complex issues with these children has resulted in an increase in out-of-state placements where these special needs could be met. Following is the summary of out-of-state placements since FY98:

- FY98 - 64 children
- FY99 - 70 children
- FY00 - 56 children
- FY01 - 84 children (39 new placements in FY2001 and 45 from the previous year)
- FY02 - 54 children through October 2001 (12 new placements in FY2002 and 42 from the previous year)

Change Record Detail With Description
Department of Education and Early Development

Scenario: FY2002 Educ&Early Dev Supplemental (2477)
 Component: Foundation Program (141)
 BRU: K-12 Support (53)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 5(b) Student Count Preliminary Actuals													
	Suppl	-1,975.9	0.0	0.0	0.0	0.0	0.0	0.0	-1,975.9	0.0	0	0	0
1004 Gen Fund		-1,975.9											

The department bases the annual budget request for the Foundation Program on projections from school districts. Each October, school districts conduct a student count which is the basis for calculating the actual entitlement for the current school year. The preliminary analysis for the October 2001 student count indicates that there is approximately \$1,975,900 that will not be necessary for the actual entitlements in the formula for the current school year. These general funds will lapse at the end of FY2002.

The department is in the process of reconciling the actual student count information submitted by school districts in both paper and electronic formats. In addition, any federal impact aid payments received by school districts through February 2002, will affect the amount of state aid needed for public school funding. A final FY2002 Foundation Program entitlement amount will be available by mid-April.

The following table illustrates the changes from FY2002 Authorized to the FY2002 preliminary actual entitlement:

Totals	-1,975.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,975.9	0.0	0	0	0
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SEL 5(b)

Public School Funding Program

	FY2002 Authorized	FY2002 Actual	Difference
Regular ADM	123,627.62	123,358.46	(269.16)
Correspondence ADM	9,676.85	9,612.31	(64.54)
Total ADM	133,304.47	132,970.77	(333.70)
Adjusted ADM	211,439.92	211,312.38	(127.54)
Basic Need	\$849,043.4	\$847,184.4	(\$1,859.0)
Required Local Effort	(156,051.8)	(156,297.3)	(245.5)
Deductible Impact Aid	(50,817.5)	(50,550.3)	267.2
Supplemental Funding Floor	12,359.6	12,223.7	(135.9)
Quality Schools Grant	3,383.0	3,380.3	(2.7)
Military Flow Through and Other	26,096.1	26,096.1	0.0
Total	\$684,012.8	\$682,036.9	(\$1,975.9)
Funding Sources			
1004 General fund	651,409.0	649,433.1	(1,975.9)
1043 P/L 81-874	20,791.0	20,791.0	-
1066 Public School	11,812.8	11,812.8	-
Total	684,012.8	682,036.9	(1,975.9)

AP/AL: Appropriation

Project Type: Deferred Maintenance

Category: Education

Location: Statewide

Contact: Karen J. Rehfeld

Election District: Statewide

Contact Phone: (907)465-8650

Estimated Project Dates: 03/01/2002 - 06/30/2007

Brief Summary and Statement of Need:

In 2000, Congress passed P.L. 106-554 which provided grant funding to local education agencies for the urgent renovation and repair needs of school facilities. These funds were allocated according to a needs-based formula to each state and were to be administered by the respective state education agency. Projects are to be selected on a competitive basis considering factors of poverty, facility condition, ability to contribute to the project, and ability to maintain the improvement. Alaska's allocation totaled \$5.4 million, 25% of which is required to be reserved for technology and IDEA related work, leaving \$4.0 million for repair projects.

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Fed Rcpts	\$5,400,000						\$5,400,000
Total:	\$5,400,000	\$0	\$0	\$0	\$0	\$0	\$5,400,000

- | | | | |
|---|--|---|---|
| <input type="checkbox"/> State Match Required | <input checked="" type="checkbox"/> One-Time Project | <input type="checkbox"/> Phased Project | <input type="checkbox"/> On-Going Project |
| 0% = Minimum State Match % Required | | <input type="checkbox"/> Amendment | <input type="checkbox"/> Mental Health Bill |

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

Sec 5(c) Federal School Renovation Funds

FY2002 Request: \$5,400,000
Reference No: 36814

The department has been working with the U.S. Department of Education to gain access to these funds and satisfy the competitive selection provisions by proposing to use the existing CIP ranking process established in AS 14.11 from the FY2002 Major Maintenance List. The department received final approval of the funds on January 23, 2002. These funds are to be used for capital projects and the appropriation will require a 5-year lapse date. Scoring criteria applicable to the federal law were selected and additional criteria added to address measurements of poverty in districts. Also, federal program managers required inclusion of those districts that had not participated in the state's FY2002 CIP process. The closing date for receipt of additional project applications is February 15, 2002, at which time a final ranking will be accomplished. Funding will be allocated according to the priority ranking except that if after providing money for a grant, there is not enough money to pay for the next priority project in total, then the project that is next in the order of priority will be considered for the award.

Approximately \$1.4 million will be available on a competitive basis for technology and IDEA related projects. The department will develop an application process and work with school districts to allocate those funds for eligible projects on a competitive basis.

This is a one-time federal appropriation. The department does not anticipate additional funding for this program in subsequent federal fiscal years.

Change Record Detail With Description
Department of Education and Early Development

Scenario: FY2002 Educ&Early Dev Supplemental (2477)
 Component: Quality Schools (2147)
 BRU: Teaching and Learning Support (56)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP

Sec 5(d)(1) Assessment Contract Costs

	Suppl	300.3	0.0	0.0	300.3	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	300.3												

The Department of Education & Early Development has contracted with CTB McGraw-Hill for design, implementation, administration, and scoring of the state's high school graduation qualifying examination (HSGQE) and the benchmark assessments for grades 3, 6, and 8. The contract with CTB McGraw-Hill for FY2001 was \$3,500.3.

The original HSGQE was designed to measure a student's ability to meet high academic standards established by content review teams. Given the state's experience in administering the field tests and the first administration of the HSGQE, it appeared that the exam was weighted toward higher level of skills that should be required of every student in order to obtain a diploma. With the help of the legislature, a new law was passed in 2001 that focuses the HSGQE on essential skills, or minimum competencies, in the areas of reading, writing, and mathematics.

To redesign and refocus the HSGQE to meet the requirements of the new law, and gearing up to do new field-testing in the spring of 2002, the initial contract was proposed at \$4,391.7. In working with the test contractor to reduce the amount of the contract and be able to meet the new requirements and timelines, the department was able to bring the amount for the current year down to \$3,999.2. Even with this reduction, the state's assessment budget is short \$498.9 in the current year.

Without a supplemental appropriation, the department would have to utilize funds in the FY2003 to pay for services provided by the test contractor for the current fiscal year. That would further exacerbate the serious funding shortfall in that the projected costs for the FY2003 contract of \$4,120.0 which will require an additional \$620.0 plus an additional \$180.0 for the book marking (setting proficiency levels) and establishing a policy and procedures committee for the statewide assessment system in FY2003.

The following table illustrates the funding within the Quality Schools component for the Statewide Student Assessment System from implementation beginning in FY98:

Totals	300.3	0.0	0.0	300.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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Comprehensive Statewide Student Assessment System Costs

Quality Schools Component

Line Item	FY98	FY99	FY2000	FY2001	FY2002 Auth	FY2002 Revised	FY2002 Supplemental
Personal Services	203.5	235.5	235.5	235.5	317.6	317.6	0.0
Travel	20.0	20.0	20.0	20.0	50.3	50.3	0.0
Contractual	565.7	2,835.7	3,874.0	3,874.0	3,891.6	4,390.5	498.9
Commodities	75.0	75.0	75.0	75.0	75.0	75.0	0.0
Equipment	10.0	10.0	10.0	10.0	10.0	10.0	0.0
Total	874.2	3,176.2	4,214.5	4,214.5	4,344.5	4,843.4	498.9
Funding Sources							
General Funds	874.2	1,284.2	4,214.5	4,214.5	4,344.5	4,843.4	498.9
AHFC Receipts		1,892.0					
Total	874.2	3,176.2	4,214.5	4,214.5	4,344.5	4,843.4	498.9

Notes:		FY2002 Contractual Cost Estimates - Revised	
FY98 - fiscal note for HB146 - \$490.0 GF		Benchmarks/Exit Exam	3,999.2
FY99 - increment for exit exam \$410.0 GF		Developmental Profile	51.0
FY99 - fiscal note for SB36 - \$1,892.0 AHFC Receipts		Norm Reference Test	148.0
FY2000 - fund source change AHFC to GF \$1,892.0		Report Card	75.0
FY2000 - increment \$1,096.0 GF		Technical/Content Review Committee	100.0
FY2000 - GF unallocated reduction \$57.7		Waiver/Alternate Assessment/Appeals	17.3
FY2002 - fiscal note for SB133 - \$130.0 GF		Total	4,390.5
FY2003 - increment \$800.0 GF			
FY 2002 Positions		FY2002 Supplemental	
Assesment Coordinator - R24	96.7	CTB HSGQE	498.9
Education Specialist II - R21	72.4		
Research Analyst III - R13	60.8		
Research Analyst II - R16	44.9		
Education Associate II - R15	42.8		
Total	317.6	Total	498.9

Change Record Detail With Description
Department of Education and Early Development

Scenario: FY2002 Educ&Early Dev Supplemental (2477)
 Component: Quality Schools (2147)
 BRU: Teaching and Learning Support (56)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 5(d)(2) Assessment Contract Costs - Reappropriation													
	ReAprop	198.6	0.0	0.0	198.6	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	198.6												

The Department of Education & Early Development has contracted with CTB McGraw-Hill for design, implementation, administration, and scoring of the state's high school graduation qualifying examination (HSGQE) and the benchmark assessments for grades 3, 6, and 8. The contract with CTB McGraw-Hill for FY2001 was \$3,500.3.

The original HSGQE was designed to measure a student's ability to meet high academic standards established by content review teams. Given the state's experience in administering the field tests and the first administration of the HSGQE, it appeared that the exam was weighted toward higher level of skills that should be required of every student in order to obtain a diploma. With the help of the legislature, a new law was passed in 2001 that focuses the HSGQE on essential skills, or minimum competencies, in the areas of reading, writing, and mathematics.

To redesign and refocus the HSGQE to meet the requirements of the new law, and gearing up to do new field-testing in the spring of 2002, the initial contract was proposed at \$4,391.7. In working with the test contractor to reduce the amount of the contract and be able to meet the new requirements and timelines, the department was able to bring the amount for the current year down to \$3,999.2. Even with this reduction, the state's assessment budget is short \$498.9 in the current year.

Without a supplemental appropriation, the department would have to utilize funds in the FY2003 to pay for services provided by the test contractor for the current fiscal year. That would further exacerbate the serious funding shortfall in that the projected costs for the FY2003 contract of \$4,120.0 which will require an additional \$620.0 plus an additional \$180.0 for the book marking (setting proficiency levels) and establishing a policy and procedures committee for the statewide assessment system in FY2003.

The following table illustrates the funding within the Quality Schools component for the Statewide Student Assessment System from implementation beginning in FY98:

Totals	198.6	0.0	0.0	198.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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Change Record Detail With Description

Department of Law

Scenario: LAW FY2002 Supplemental - Governor's (2483)

Component: Governmental Affairs Section (2207)

BRU: Civil Division (35)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 5 (d)(2) Bank of America													
	ReAprop	-198.6	0.0	0.0	-198.6	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-198.6											
Repeal for reappropriation funds available from Sec 41 Ch 61 SLA 01 P 93 L 28 SB 29 Bank of America (\$198.6).													
Totals		-198.6	0.0	0.0	-198.6	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Department of Environmental Conservation

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Commercial Passenger Vessel Environmental Compliance Program (2592)

BRU: Air and Water Quality (206)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
Sec 6 Comm Pass Vessel Env Comp Fund - Amend Fund Source for SLA 2001 Ch 61 Sec 89													
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig	-1,000.0												
1166 Vessel Co	1,000.0												
Amend the fund source for SLA2001 Ch 61 Sec 89 for passage of FSSLA 2001 Ch 1 which established the Commercial Passenger Vessel Environmental Compliance Program and Fund for program activities and receipt of fees.													
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Department of Natural Resources

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Fire Suppression (437)
 BRU: Statewide Fire Suppression Program (140)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP

Sec 7 Fire Suppression Activities to Date and Fixed Costs for Remainder of FY02

	Suppl	7,235.0	1,522.5	140.2	4,648.5	528.5	395.3	0.0	0.0	0.0	0	0	0
1004 Gen Fund	7,235.0												

Review of the Fire Suppression component expenditures through six months of FY02 indicates that supplemental authorization of \$7,235.0 general fund is needed in addition to the original FY02 authorization to fund expenditures and encumbrances to date, as well as fixed costs for the remainder of FY02. This supplemental request does not cover actual fire fighting expenditures that may occur between now and June 30, 2002. Additional funding will be requested during FY02 through the Declaration of Disaster Emergency process.

General Funds

FY02 Expenditures through 1/81/02 - \$5,970.7
 FY02 Fixed Cost Expenditures Remaining - \$4,460.2 (excluding actual Spring fire fighting expenditures)
 Total General Fund Expenditures - \$10,430.9
 Initial FY02 Fire Suppression General Fund Appropriation - \$3,195.9
 FY02 Fire Suppression Supplemental General Fund Need - \$7,235.0

The initial FY02 general fund appropriation for the Fire Suppression component was \$3,195.9 (Chapter 60, SLA 2001, Sec. 1, Pg. 29, Ln. 13-15). On July 13, 2001, the Governor signed a Declaration of a Disaster Emergency because insufficient money was regularly appropriated for fire suppression and disaster relief funds were insufficient. He authorized that sufficient funds be made available to the Department of Natural Resources to continue fire suppression operations and activities for FY2002. Funding has been increased by \$7,235.0 general fund to finance fire suppression costs with the understanding that DNR would submit a supplemental appropriation request to the legislature for FY02.

Totals		7,235.0	1,522.5	140.2	4,648.5	528.5	395.3	0.0	0.0	0.0	0	0	0
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Sec 8(a)(1) Dock replacement in King Salmon - Shortfall of FY2002 Request: \$0
 FY 01 Funds Reference No: 36816

AP/AL: Appropriation Project Type: Deferred Maintenance
 Category: Natural Resources
 Location: King Salmon Contact: Kevin Brooks
 Election District: Aleutians Contact Phone: (907)465-5999
 Estimated Project Dates: 07/01/2000 - 06/30/2005

Brief Summary and Statement of Need:

Until recently, Commercial Fisheries Entry Commission (CFEC) fees not used to fund the operations of the Commission were deposited in the general fund. Beginning in FY 01, fees were classified under the receipt supported services designation, and \$1.6 million in excess revenues were directly appropriated to CIP projects. Revenues in FY 01 fell from the previous three year average of \$4.9 million to \$4.3 million. The decline in revenues has not improved. In order to complete this previously approved project, the department requests statutory designated program receipts to replace the lack of CFEC fee receipts.

Funding:	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Rcpt Svcs	\$-28,200						\$-28,200
Stat Desig	\$28,200						\$28,200
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input checked="" type="checkbox"/> Phased Project	<input type="checkbox"/> On-Going Project
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

Sec 8(a)(1) Dock replacement in King Salmon - Shortfall of FY2002 Request: \$0
FY 01 Funds Reference No: 36816

Total project cost for the King salmon dock is \$425.0. The original FY01 appropriation for phase I of this project totalled \$250.0. Subsequent funding (\$125.0) was appropriated in FY02 for phase II, and phase III is included in the department's FY03 request (\$50.0). The revenue shortfall from the phase I appropriation is \$28.2. The department requests authority to use statutory designated program receipts to replace the shortfall of CFEC fee receipts.

Per the attached February 11, 2002 memo from Deven Mitchell, Debt Manager, Department of Revenue, the source of the statutory designated program receipts is interest earnings on Northern Tobacco Securitization Corporation bonds.

All design and engineering work on the project has been completed, and construction will resume in the spring as soon as weather allows. The complete project description from the original budget request is restated below.

Water facilities at King Salmon support the Departments of Fish and Game and Public Safety in the regulation of the Bristol Bay Sockeye Fishery. This is the largest sockeye fishery in the world and produces an average annual ex-vessel value of more than \$160 million. The department's King Salmon complex, including waterfront facilities, was constructed in 1970. A survey performed in September, 1998 by the engineering firm of Peratrovich, Nottingham, & Drage, Inc. detailed the following required repairs.

Virtually all of the timber retaining wall support piles are in poor condition. The top portions of many support piles are rotten to the extent that the supporting deadman anchor rods have pulled through the pile. The retaining wall support is strictly cantilever action of the piles. Potential exists for portions of the retaining wall to fail if over loaded. Eventually the wall will collapse when it can no longer support the soil behind it. Portions of the wall are leaning outward and have shifted enough that soil is spilling through gaps created between the wall planks.

The existing boat ramp is not long enough to allow boats to be launched at low tides. The last seven concrete ramp panels are cracked and broken in several places and are in need of repair/replacement. One of the steel anchor piles has been pushed over by ice floe. Because the pile is no longer vertical, the float connection to the pile has a structurally inadequate modification to prevent the float from binding as it moves with the tide. Access ramps to the floats are structurally adequate, but are not functional for typical use.

This project will remove the retaining walls and slope the existing grade to the river's edge as has been done at the adjacent Fish & Wildlife complex. The existing float, anchor piles, and access ramp would be removed and new anchor piles, protected within a new seawall of limited area, will support a new ramp and gangway. The existing float will be rehabilitated and reused. Broken planks in the launch ramp will be replaced and the ramp will be extended 10 to 12 feet.

Sec 8(a)(1)

MEMORANDUM

STATE OF ALASKA
Department of Revenue

TO: Annalee McConnell, Director
Office of Management & Budget

DATE: February 11, 2002

FROM: Deven Mitchell
Debt Manager
Department of Revenue

TELEPHONE: 465-3750

SUBJECT: Use of Northern Tobacco Securitization Corporation Bond Proceeds:

On October 26, 2000 the Northern Tobacco Securitization Corporation sold a par amount of \$116,050,000 in bonds. After paying costs of issuance, funding operations, funding a reserve account, funding a capitalized interest account, and accounting for an original issue discount \$93,000,000 was deposited into the proceeds fund to pay for capital projects. As the proceeds are being drawn down as construction is completed, there is currently an additional \$2.8 million in investment earnings available for allowed uses.

Investment earnings on project funds are considered bond proceeds under the tax code. Accordingly, this money has the same restrictions on use as allowed for the bond proceeds by the bond indenture.

The Northern Tobacco Securitization Corporation Series 2000 bonds' proceeds, and interest earnings, can only be used for State capital projects or debt service on the Series 2000 bonds. Since the use of the interest earnings is restricted, the applicable fund source for appropriating the interest earnings would be statutory designated program receipts.

Sec 8(a)(2) Statewide Facilities Deferred Maintenance -
 Shortfall of FY 01 Funds

FY2002 Request: \$0
 Reference No: 36819

AP/AL: Appropriation
 Category: Health/Safety
 Location: Statewide
 Election District: Statewide
 Estimated Project Dates: 07/01/2000 - 06/30/2005

Project Type: Deferred Maintenance

Contact: Kevin Brooks
 Contact Phone: (907)465-5999

Brief Summary and Statement of Need:

Until recently, Commercial Fisheries Entry Commission (CFEC) fees not used to fund the operations of the Commission were deposited in the general fund. Beginning in FY 01, fees were classified under the receipt supported services designation, and \$1.6 million in excess revenues were directly appropriated to CIP projects. Revenues in FY 01 fell from the previous three year average of \$4.9 million to \$4.3 million. The decline in revenues has not improved. In order to complete this previously approved project, the department requests statutory designated program receipts to replace the lack of CFEC fee receipts.

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Rcpt Svcs	\$-78,800						\$-78,800
Stat Desig	\$78,800						\$78,800
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

- | | | | |
|---|---|---|--|
| <input type="checkbox"/> State Match Required | <input type="checkbox"/> One-Time Project | <input type="checkbox"/> Phased Project | <input checked="" type="checkbox"/> On-Going Project |
| 0% = Minimum State Match % Required | | <input type="checkbox"/> Amendment | <input type="checkbox"/> Mental Health Bill |

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

**Sec 8(a)(2) Statewide Facilities Deferred Maintenance -
Shortfall of FY 01 Funds**

**FY2002 Request: \$0
Reference No: 36819**

The department has a deferred maintenance backlog of \$4 million. Annual funding requests have historically been funded at only a fraction of the identified need. The original request for this project was \$300.0, with a current shortfall of \$78.8. The department requests authority to use statutory designated program receipts to replace the shortfall of CFEC fee receipts.

Per the attached February 11, 2002 memo from Deven Mitchell, Debt Manager, Department of Revenue, the source of the statutory designated program receipts is interest earnings on Northern Tobacco Securitization Corporation bonds.

This funding is needed to complete projects scheduled for the spring 2002, and prevent the backlog from growing larger.

The Department of Fish and Game has employees in over 40 locations around the state and operates facilities in many of these locations. These facilities include offices, bunkhouses, warehouses, workshops, cabins, laboratories, airplane hangars, and other structures that are vital to the mission of the department. Most routine, ongoing maintenance is funded through annual operating appropriations. Larger repair, renovation, and replacement projects have been requested in the capital budget, but have been funded at only a fraction of the identified amount in recent years. Deferred maintenance on facilities is a critical issue for the department with many of the requested projects involving life, health and safety issues.

In identifying and prioritizing projects, the department first considers life, health and safety implications. It is critical that we provide a safe and efficient environment to our employees and the public as we carry out our statutory responsibilities of managing the state's fish and wildlife resources. Projects are also developed so that facilities will comply with the Americans With Disabilities Act (ADA); meet building, mechanical, electrical, and life safety codes; and comply with Department of Labor standards for employee housing. Finally, the department actively pursues projects that will reduce operating costs through energy efficiency measures, and insure the structural integrity of a facility will remain sound for a minimum of 20-30 years.

MEMORANDUM

Sec 8(a)(2)
STATE OF ALASKA
Department of Revenue

TO: Annalee McConnell, Director
Office of Management & Budget

DATE: February 11, 2002

FROM: Deven Mitchell
Debt Manager
Department of Revenue

TELEPHONE: 465-3750

SUBJECT: Use of Northern Tobacco Securitization Corporation Bond Proceeds:

On October 26, 2000 the Northern Tobacco Securitization Corporation sold a par amount of \$116,050,000 in bonds. After paying costs of issuance, funding operations, funding a reserve account, funding a capitalized interest account, and accounting for an original issue discount \$93,000,000 was deposited into the proceeds fund to pay for capital projects. As the proceeds are being drawn down as construction is completed, there is currently an additional \$2.8 million in investment earnings available for allowed uses.

Investment earnings on project funds are considered bond proceeds under the tax code. Accordingly, this money has the same restrictions on use as allowed for the bond proceeds by the bond indenture.

The Northern Tobacco Securitization Corporation Series 2000 bonds' proceeds, and interest earnings, can only be used for State capital projects or debt service on the Series 2000 bonds. Since the use of the interest earnings is restricted, the applicable fund source for appropriating the interest earnings would be statutory designated program receipts.

Sec 8(a)(3) Upper Cook inlet and Kuskokwim River Coho - FY2002 Request: \$0
 Shortfall of FY01 Funds Reference No: 36817

AP/AL: Appropriation Project Type: Equipment
 Category: Natural Resources
 Location: Statewide Contact: Kevin Brooks
 Election District: Statewide Contact Phone: (907)465-5999
 Estimated Project Dates: 07/01/2000 - 06/30/2005

Brief Summary and Statement of Need:

Until recently, Commercial Fisheries Entry Commission (CFEC) fees not used to fund the operations of the Commission were deposited in the general fund. Beginning in FY 01, fees were classified under the receipt supported services designation, and \$1.6 million in excess revenues were directly appropriated to CIP projects. Revenues in FY 01 fell from the previous three year average of \$4.9 million to \$4.3 million. The decline in revenues has not improved. In order to complete this previously approved project, the department requests statutory designated program receipts to replace the lack of CFEC fee receipts.

Funding:	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Rcpt Svcs	\$-145,000						\$-145,000
Stat Desig	\$145,000						\$145,000
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input checked="" type="checkbox"/> Phased Project	<input type="checkbox"/> On-Going Project
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bil

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

**Sec 8(a)(3) Upper Cook inlet and Kuskokwim River Coho -
Shortfall of FY01 Funds**

FY2002 Request:

\$0

Reference No:

36817

This funding will complete a 3-year data collection project. The original appropriation totalled \$500.0 and approximately \$355.0 has been expended to date, with a remaining revenue shortfall of \$145.0. The department requests authority to use statutory designated program receipts to replace the shortfall of CFEC fee receipts.

Per the attached February 11, 2002 memo from Deven Mitchell, Debt Manager, Department of Revenue, the source of the statutory designated program receipts is interest earnings on Northern Tobacco Securitization Corporation bonds.

Two seasons of data have been collected with the third and final year scheduled for the 2002 season. Work will resume this spring as soon as weather allows. A brief project description from the original capital request is restated below.

The Upper Cook Inlet and Kuskowkim management areas have historically produced substantial runs of coho salmon that support important commercial, recreational, personal use, and subsistence fisheries. Coho salmon spawn in a wide variety of freshwater systems throughout these management areas. Unfortunately, relatively little information is available on coho salmon spawning escapement levels, smolt production, and marine survival for most of these systems. Escapement goals have only been established for a limited number of systems where weirs have been operated or surveys conducted over a period of several years. Most of these escapement goals are based on average counts that seem to sustain harvests rather than on an understanding of the productive capacity of these systems. These proposed projects will improve our knowledge of overall return and escapement by increasing the number of systems for which estimates of coho spawning escapement are available.

MEMORANDUM

Sec 8(a)(3)
STATE OF ALASKA
Department of Revenue

TO: Annalee McConnell, Director
Office of Management & Budget

DATE: February 11, 2002

FROM: Deven Mitchell
Debt Manager
Department of Revenue

TELEPHONE: 465-3750

SUBJECT: Use of Northern Tobacco Securitization Corporation Bond Proceeds:

On October 26, 2000 the Northern Tobacco Securitization Corporation sold a par amount of \$116,050,000 in bonds. After paying costs of issuance, funding operations, funding a reserve account, funding a capitalized interest account, and accounting for an original issue discount \$93,000,000 was deposited into the proceeds fund to pay for capital projects. As the proceeds are being drawn down as construction is completed, there is currently an additional \$2.8 million in investment earnings available for allowed uses.

Investment earnings on project funds are considered bond proceeds under the tax code. Accordingly, this money has the same restrictions on use as allowed for the bond proceeds by the bond indenture.

The Northern Tobacco Securitization Corporation Series 2000 bonds' proceeds, and interest earnings, can only be used for State capital projects or debt service on the Series 2000 bonds. Since the use of the interest earnings is restricted, the applicable fund source for appropriating the interest earnings would be statutory designated program receipts.

Sec 8(a)(4) Copper River (Miles Lake) Sonar - Shortfall of
FY 01 Funds

FY2002 Request:
Reference No:

\$0
36818

AP/AL: Appropriation
Category: Natural Resources
Location: Deltana
Election District: Delta, Prince William Sound
Estimated Project Dates: 07/01/2000 - 06/30/2005

Project Type: Equipment
Contact: Kevin Brooks
Contact Phone: (907)465-5999

Brief Summary and Statement of Need:

Until recently, Commercial Fisheries Entry Commission (CFEC) fees not used to fund the operations of the Commission were deposited in the general fund. Beginning in FY 01, fees were classified under the receipt supported services designation, and \$1.6 million in excess revenues were directly appropriated to CIP projects. Revenues in FY 01 fell from the previous three year average of \$4.9 million to \$4.3 million. The decline in revenues has not improved. In order to complete this previously approved project, the department requests statutory designated program receipts to replace the lack of CFEC fee receipts.

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Rcpt Svcs	\$-63,000						\$-63,000
Stat Desig	\$63,000						\$63,000
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

State Match Required One-Time Project Phased Project On-Going Project
0% = Minimum State Match % Required Amendment Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

**Sec 8(a)(4) Copper River (Miles Lake) Sonar - Shortfall of
FY 01 Funds**

**FY2002 Request:
Reference No:**

**\$0
36818**

The original appropriation for this project totalled \$250.0 with a current shortfall in revenue of \$63.0. The department requests authority to use statutory designated program receipts to replace the shortfall of CFEC fee receipts.

Per the attached February 11, 2002 memo from Deven Mitchell, Debt Manager, Department of Revenue, the source of the statutory designated program receipts is interest earnings on Northern Tobacco Securitization Corporation bonds.

A majority of the in-river work on this project was completed prior to winter freeze-up last fall. Final construction work, as well as sonar purchase and deployment are scheduled for the spring 2002. The original project description is restated below.

The Copper River supports substantial runs of salmon, which are vital to the subsistence, sport, personal use, and commercial fisheries of the region. The ex-vessel value of the Copper River's commercial salmon fishery has ranged from \$10 million to \$25 million in recent years. The personal use fishery at Chitina has attracted as many as 10,000 Alaskans per year and the subsistence fishery has seen a steady increase in participation with over 1,000 Alaskans relying on Copper River salmon to meet their annual subsistence needs. The sonar enumeration project located on the main Copper River at Miles Lake is critical to maintaining healthy salmon populations to sustain these fisheries. The counts of salmon past these counters are used to manage the commercial, personal use, and subsistence fisheries throughout the Copper River drainage, and insure that wild spawning objectives are met to maintain healthy, diverse and productive salmon stocks. Integrity of this project is threatened each year by the outdated equipment and deterioration of the operating site.

This CIP project has two components. The first component would re-engineer and construct a new permanent river bottom profile upon which the sonar counting equipment operates. The second component would replace the Bendix Corporation hydroacoustic equipment (single beam, side scanning sonar), with modern split beam side scanning sonar (SSS) equipment.

Sec 8(a)(4)

MEMORANDUM

STATE OF ALASKA
Department of Revenue

TO: Annalee McConnell, Director
Office of Management & Budget

DATE: February 11, 2002

FROM: Deven Mitchell
Debt Manager
Department of Revenue

TELEPHONE: 465-3750

SUBJECT: Use of Northern Tobacco Securitization Corporation Bond Proceeds:

On October 26, 2000 the Northern Tobacco Securitization Corporation sold a par amount of \$116,050,000 in bonds. After paying costs of issuance, funding operations, funding a reserve account, funding a capitalized interest account, and accounting for an original issue discount \$93,000,000 was deposited into the proceeds fund to pay for capital projects. As the proceeds are being drawn down as construction is completed, there is currently an additional \$2.8 million in investment earnings available for allowed uses.

Investment earnings on project funds are considered bond proceeds under the tax code. Accordingly, this money has the same restrictions on use as allowed for the bond proceeds by the bond indenture.

The Northern Tobacco Securitization Corporation Series 2000 bonds' proceeds, and interest earnings, can only be used for State capital projects or debt service on the Series 2000 bonds. Since the use of the interest earnings is restricted, the applicable fund source for appropriating the interest earnings would be statutory designated program receipts.

Sec 8(a)(5) Mariculture Development Program - Shortfall in FY2002 Request:
 FY 01 Funding Reference No:

\$0
 36821

AP/AL: Appropriation

Project Type: Planning

Category: Development

Location: Statewide

Contact: Kevin Brooks

Election District: Statewide

Contact Phone: (907)465-5999

Estimated Project Dates: 07/01/2000 - 06/30/2005

Brief Summary and Statement of Need:

Until recently, Commercial Fisheries Entry Commission (CFEC) fees not used to fund the operations of the Commission were deposited in the general fund. Beginning in FY 01, fees were classified under the receipt supported services designation, and \$1.6 million in excess revenues were directly appropriated to CIP projects. Revenues in FY 01 fell from the previous three year average of \$4.9 million to \$4.3 million. The decline in revenues has not improved. In order to complete this previously approved project, the department requests statutory designated program receipts to replace the lack of CFEC fee receipts.

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Rcpt Svcs	\$-88,500						\$-88,500
Stat Desig	\$88,500						\$88,500
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> State Match Required | <input type="checkbox"/> One-Time Project | <input checked="" type="checkbox"/> Phased Project | <input type="checkbox"/> On-Going Project |
| 0% = Minimum State Match % Required | | <input type="checkbox"/> Amendment | <input type="checkbox"/> Mental Health Bill |

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

Sec 8(a)(5) Mariculture Development Program - Shortfall in FY2002 Request:
FY 01 Funding

\$0
36821

The original appropriation for this project was \$100.0. This project has had only limited activity with expenditures of \$11.5. Without additional funds to cover the revenue shortfall of \$88.5, there will be no further activity. The department requests authority to use statutory designated program receipts to replace the shortfall of CFEC fee receipts.

Per the attached February 11, 2002 memo from Deven Mitchell, Debt Manager, Department of Revenue, the source of the statutory designated program receipts is interest earnings on Northern Tobacco Securitization Corporation bonds.

This request will allow the department to conduct a comprehensive planning effort in cooperation with the mariculture industry, local communities, and the broader public to determine where mariculture operations are best conducted. Currently, all areas and all species are potentially open for application. This planning effort will result in policy and regulatory direction for the emerging mariculture industry to assure their long term success while assuring that the wild stocks in these areas are protected and conflicts with other resource and land uses are minimized.

Sec 8(a)(5)

MEMORANDUM

STATE OF ALASKA
Department of Revenue

TO: Annalee McConnell, Director
Office of Management & Budget

DATE: February 11, 2002

FROM: Deven Mitchell
Debt Manager
Department of Revenue

TELEPHONE: 465-3750

SUBJECT: Use of Northern Tobacco Securitization Corporation Bond Proceeds:

On October 26, 2000 the Northern Tobacco Securitization Corporation sold a par amount of \$116,050,000 in bonds. After paying costs of issuance, funding operations, funding a reserve account, funding a capitalized interest account, and accounting for an original issue discount \$93,000,000 was deposited into the proceeds fund to pay for capital projects. As the proceeds are being drawn down as construction is completed, there is currently an additional \$2.8 million in investment earnings available for allowed uses.

Investment earnings on project funds are considered bond proceeds under the tax code. Accordingly, this money has the same restrictions on use as allowed for the bond proceeds by the bond indenture.

The Northern Tobacco Securitization Corporation Series 2000 bonds' proceeds, and interest earnings, can only be used for State capital projects or debt service on the Series 2000 bonds. Since the use of the interest earnings is restricted, the applicable fund source for appropriating the interest earnings would be statutory designated program receipts.

Sec 8(a)(6) Vessel and Aircraft Repair and Maintenance -
 Shortfall of FY 01 Funding

FY2002 Request: \$0
 Reference No: 36820

AP/AL: Appropriation
 Category: Health/Safety
 Location: Statewide
 Election District: Statewide
 Estimated Project Dates: 07/01/2000 - 06/30/2005

Project Type: Deferred Maintenance
 Contact: Kevin Brooks
 Contact Phone: (907)465-5999

Brief Summary and Statement of Need:

Until recently, Commercial Fisheries Entry Commission (CFEC) fees not used to fund the operations of the Commission were deposited in the general fund. Beginning in FY 01, fees were classified under the receipt supported services designation, and \$1.6 million in excess revenues were directly appropriated to CIP projects. Revenues in FY 01 fell from the previous three year average of \$4.9 million to \$4.3 million. The decline in revenues has not improved. In order to complete this previously approved project, the department requests statutory designated program receipts to replace the lack of CFEC fee receipts.

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Rcpt Svcs	\$-200,000						\$-200,000
Stat Desig	\$200,000						\$200,000
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased Project	<input checked="" type="checkbox"/> On-Going Project
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

**Sec 8(a)(6) Vessel and Aircraft Repair and Maintenance -
Shortfall of FY 01 Funding**

**FY2002 Request: \$0
Reference No: 36820**

The department has received annual appropriations to address deferred maintenance on its six large research vessels and four aircraft. This funding represents only a fraction of the identified backlog. The entire \$200.0 appropriation lacks the required revenue to initiate any repair projects. With the replacement of two of the research vessels anticipated, it is critical that this funding be replaced. The department requests authority to use statutory designated program receipts to supplant the CFEC fee receipts which did not materialize.

Per the attached February 11, 2002 memo from Deven Mitchell, Debt Manager, Department of Revenue, the source of the statutory designated program receipts is interest earnings on Northern Tobacco Securitization Corporation bonds.

The original capital project description is restated below.

Major maintenance work will be performed on the Commercial Fisheries division's large vessels (R/V Sundance, R/V Medeia, R/V Montague, R/V Pandalus, R/V Resolution and R/V K-HI-C) and aircraft. These vessels and aircraft support fishery monitoring efforts and are extensively involved in salmon, herring, groundfish, and shellfish stock assessment programs contained in the department's budget. The vessels and aircraft are used by other divisions in the department, and the Department of Public Safety to carry out their operational responsibilities as well.

Annual maintenance of the vessels and aircraft is necessary to maintain their longevity and protect the state's investment. Some examples of work are: replace genseit; sandblast and paint; general yard work and inspection; engine overhauls; replacing fishing gear and aircraft manuals.

The fishery monitoring and stock assessment programs carried out by these vessels and aircraft are critical to the division's ability to meet its constitutional mandate to manage the state's fishery resources for sustained yield.

The projects funded by this request will ensure that the vessels and aircraft can continue to carry out their missions, as well as ensure the health and safety of the skippers, and crew.

Sec 8(a)(6)

MEMORANDUM

STATE OF ALASKA
Department of Revenue

TO: Annalee McConnell, Director
Office of Management & Budget

DATE: February 11, 2002

FROM: Deven Mitchell
Debt Manager
Department of Revenue

TELEPHONE: 465-3750

SUBJECT: Use of Northern Tobacco Securitization Corporation Bond Proceeds:

On October 26, 2000 the Northern Tobacco Securitization Corporation sold a par amount of \$116,050,000 in bonds. After paying costs of issuance, funding operations, funding a reserve account, funding a capitalized interest account, and accounting for an original issue discount \$93,000,000 was deposited into the proceeds fund to pay for capital projects. As the proceeds are being drawn down as construction is completed, there is currently an additional \$2.8 million in investment earnings available for allowed uses.

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The Northern Tobacco Securitization Corporation Series 2000 bonds' proceeds, and interest earnings, can only be used for State capital projects or debt service on the Series 2000 bonds. Since the use of the interest earnings is restricted, the applicable fund source for appropriating the interest earnings would be statutory designated program receipts.

MEMORANDUM

Sec 9(a)
STATE OF ALASKA
Office of the Governor
Division of Elections
Directors Office

TO: Mike Nizich
Director
Office of the Governor, Admin Services

DATE: 02/11/02

FROM: Janet Kowalski
Director

JK

TELEPHONE: 907-465-4611
FAX: 907-465-3203

E-MAIL:

SUBJECT: Extension of Reapportionment Appropriation

I have reviewed our appropriation for reapportionment activities and our expenditures to date. Since litigation has impacted our timeline for completing necessary changes to our Voter Registration and Election Management System, I request that the lapse date of our appropriation be extended into the new fiscal year.

On February 1, 2002, the Alaska Superior Court ordered the Alaska Redistricting Board to make changes in the final plan. Appeals and petitions are pending before the Supreme Court and the court is expected to make a final decision on the appeals no later than April 1, 2002.

It is anticipated that the division will receive new data from the Board no later than June 1, 2002 and the division expects to be able to complete the work associated with redistricting by September 1, 2002. Please note that if there are further appeals these dates may change.

If you have any questions, please let me know.

Change Record Detail With Description

Office of the Governor

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Executive Contingency Appropriation (2550)

BRU: Executive Operations (2)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	P?T	NP
Sec 9(b) Correct Drafting Error to Include FY2001													
	ReAprop	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This section corrects a drafting error by adding fiscal year 2001 which was inadvertently not referenced in sec. 36(c), ch. 61, SLA 2001.													
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

**Sec 9(c) and (d) Coastal Impact Assistance Program
Supplemental Request**

**FY2002 Request: \$3,335,700
Reference No: 36806**

**AP/AL: Appropriation
Category: Natural Resources
Location: Statewide
Election District: Statewide
Estimated Project Dates: 04/01/2002 - 12/31/2004**

**Project Type: Planning
Contact: Pat Galvin
Contact Phone: (907)465-3562**

Brief Summary and Statement of Need:

This request is for the additional authorization needed to complete receipt of the federal Coastal Impact Assistance Program (CIAP) funds. The Division of Governmental Coordination received authorization from LB&A for the initial \$4,600,000 federal funding in 09/2001. The FY2002 Supplemental bill contains a provision to convert that initial operating budget item to a capital project. Receipt of this supplemental funding will bring the total CIAP authorization to \$7,935,700.

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Fed Rcpts	\$3,335,700						\$3,335,700
Total:	\$3,335,700	\$0	\$0	\$0	\$0	\$0	\$3,335,700

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased Project	<input checked="" type="checkbox"/> On-Going Project
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

Under the CIAP, the State will receive a one-time allocation of \$7,935,700. As required by CIAP legislation, the State of Alaska submitted a plan for use of the funds to NOAA in July 2001. NOAA approved the State's plan for use of the funds on Dec 19, 2001, making the funds available for disbursement. Use of the CIAP funds must be consistent with the authorized uses in the federal legislation.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF ADMINISTRATIVE SERVICES

Section 10

TONY KNOWLES, GOVERNOR

P.O. Box 110650

Juneau, AK 99811-0650

Phone: (907) 465-3082

Fax: (907) 465-2499

MEMORANDUM

DATE: February 8, 2002

TO: Annalee McConnell
Director
Office of Management and Budget

FROM: Janet Clarke *Janet Clarke*
Director
Division of Administrative Services

SUBJECT: FY 2002 Regular Supplemental Requests

The Department of Health and Social Services requests the following FY 2002 supplemental appropriations for the regular supplemental bill:

BRU / Component	Description	GF	MHTAAR	Other	Total
10(b)(1) Public Assistance/Adult Public Assistance	Formula Program Growth	541.0			541.0
10(a)(5) Public Assistance/General Relief Assistance	Formula Program Growth	190.7			190.7
10(a)(4) DFYS/Purchased Services/Special Needs	Foster Care Special Needs program growth	304.6			304.6
10(a)(3) SHS/BVS	Rcpt Svcs Auth to make GF Available for Radio Chargeback Costs Transfer to EMS			75.0	75.0
10(b) SHS/Comm Health/EMS	Fund Change Tobacco Educ/Cess	(487.9)		487.9	-
10(a)(2) MHTB/ABADA	Co-location of offices		40.9		40.9
<u>Total Supplemental Request</u>		<u>548.4</u>	<u>40.9</u>	<u>562.9</u>	<u>1,152.2</u>

Supporting documentation is attached for your review.

Please contact me at 465-1630 should you have questions or require additional information.

Attachments

cc: Jay Livey, Commissioner
Elmer Lindstrom, Deputy Commissioner
Russ Webb, Deputy Commissioner
Laura Baker, Budget Chief
Orlando Moskito, Finance Officer
Bob Labbe/Nancy Burns, DMA
Theresa Tanoury/Tom Cherian, DFYS
Jim Nordlund/Randy Moore, DPA
Karen Pearson/Betty Abel, DPH
Budget Analysts

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Adult Public Assistance (222)

BRU: Public Assistance (73)

Scenario/ Change Record	Trans Title Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions PFT PPT NP		
FY2002 Supplemental - Governor's													
Sec 10(a)(1) Formula program growth													
	Suppl	541.0	0.0	0.0	0.0	0.0	0.0	0.0	541.0	0.0	0	0	0
1004 Gen Fund	541.0												
Backup justification has been provided under separate cover.													
Totals		541.0	0.0	0.0	0.0	0.0	0.0	0.0	541.0	0.0	0	0	0

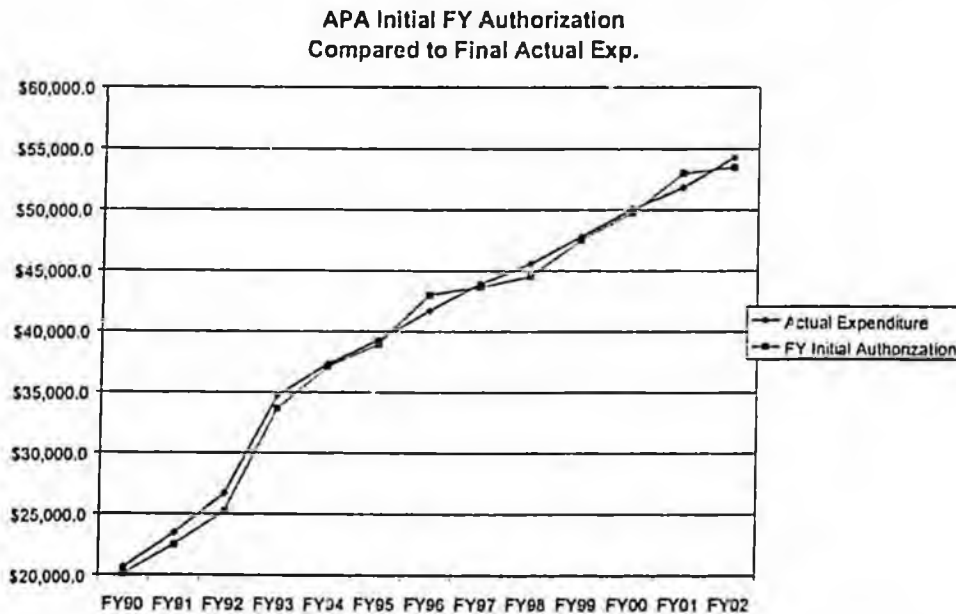
The Division of Public Assistance requests a supplemental appropriation of \$541.0 general fund to meet the projected Adult Public Assistance (APA) formula component expenditure deficit. The projected APA average monthly caseload is 14,595 or about 1% higher than the caseload level funded.

Program Information

The Adult Public Assistance (APA) program provides basic living support to needy elderly, blind and disabled Alaskans. The program was created to supplement federal Supplementary Security Income (SSI) and allow the individual to meet basic needs and remain as independent as possible in their community.

To be eligible for APA, a low-income individual must be over 64 or at least 18 years of age, blind, or diagnosed by a physician as permanently disabled, chronically ill, or terminally ill. Applicants must also undergo a rigorous process to determine that their mental or physical limitations make them temporarily or permanently incapable of self-support through gainful employment. APA benefits help many Alaskans avert problems such as homelessness and avoid higher cost settings such as hospitals, nursing homes or incarceration.

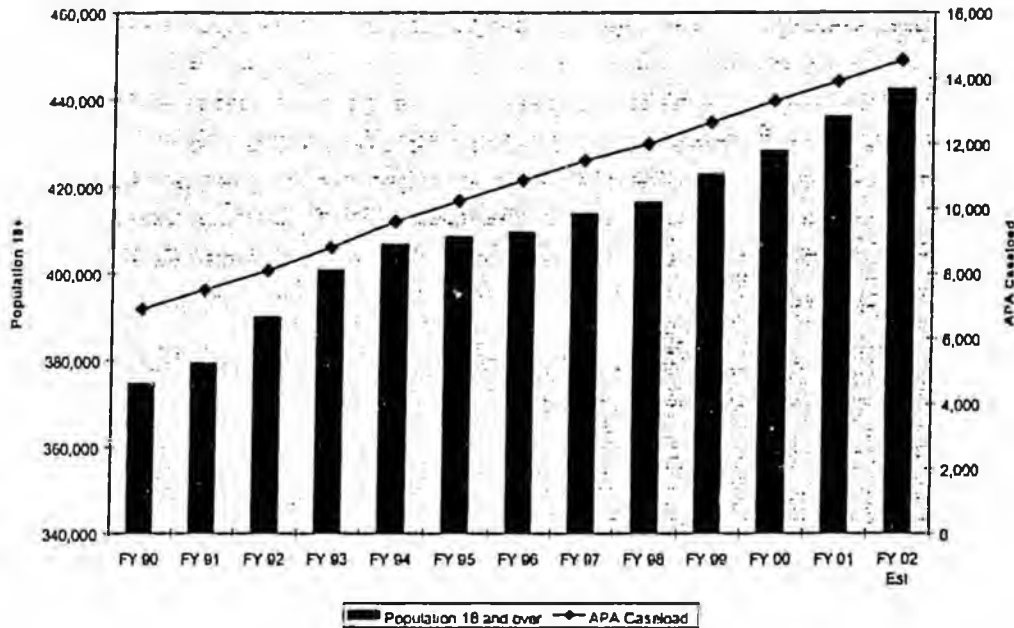
FY 2002 Budget Underfunded APA Caseload Growth



The APA component budget was short-funded by the Legislature in FY 2002. State spending on APA has exceeded the Legislature's appropriation in 11 of the last 13 years, often with the understanding that the need for supplemental funding would be acted upon during the next Legislative session. APA program formula funding is dependent on the number of eligible cases and the cash assistance amount issued monthly. The Division has no discretionary control over formula program service demand or the number of people eligible.

In FY 2002 the Department's budget request included a \$1,835.1 GF increase for APA formula caseload growth. The Legislature funded \$630.0 GF. The current FY 2002 APA authorization funds an annual caseload growth rate of about 3.5%. This is below recent and historic APA caseload trends. In FY 2002, APA is estimated to provide financial assistance and access to medical care for 4,804 elderly and 9,791 disabled Alaskans, the total average monthly caseload is 14,595 – 4.9% above FY 2001. The total projected APA expenditure need of \$54,026.9 is within the Department's original request, but more than the \$53,485.9 currently authorized. An FY 2002 supplemental of \$541.0 general fund is needed to fix the APA formula deficit.

APA Recipients Compared to Population 18+ and over



The reasons for this growth appear to be a combination of increased state population, improved medical technology and an aging "baby boom" cohort. Growth in this program is sustained in part by the long-term needs of recipients - to qualify for APA benefits, an individual must be elderly or have a permanent disability, and therefore this population tends to rely on the APA program for the remainder of their adult lives. Continued APA funding provides critical assistance as the program of last resort for this population.

APA formula obligation

The APA component provides a state legislated level of cash assistance to aged, blind, and disabled persons who meet certain income and resource requirements Alaska statutory provisions creating the APA financial commitment do not permit the Department to implement a ratable reduction of the APA maximum payment schedule.

Based on the projected APA expenditure the current APA component authorization will be fully spent on or about June 1, 2002. In order to process and mail without delay the monthly APA benefits for June this supplemental request needs to be approved by May 20, 2002.

This FY 2002 deficit in APA formula funding was addressed in developing the FY 2003 APA budget. The Governor's FY 2003 request for APA fully funds projected formula need.

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Advisory Board on Alcoholism and Drug Abuse (2024)

BRU: Mental Health Trust Boards (105)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions PFT PPT NP		
FY2002 Supplemental - Governor's													
Sec 10(a)(2) Office Relocation to Co-locate with AK Mental Health Board													
	Suppl	40.9	0.0	0.0	40.9	0.0	0.0	0.0	0.0	0.0	0	0	0
1092 MHTAAR	40.9												
Backup justification has been provided under separate cover.													
Totals		40.9	0.0	0.0	40.9	0.0	0.0	0.0	0.0	0.0	0	0	0

The Advisory Board on Alcohol and Drug Abuse (ABADA) requests a supplemental appropriation of \$40,900 in MHTAAR funds to assist in co-locating ABADA with the Alaska Mental Health Board (AMHB). The Alaska Mental Health Trust Authority (AMHTA) has agreed to support this effort and is expected to approve the use of \$40,900 in MHTAAR funds at their February 2002 Board Meeting.

The Advisory Board on Alcoholism and Drug Abuse (ABADA) was established in AS 44.29.100 as part of the Mental Health Trust Land Settlement to act in an advisory capacity to the legislature, the governor, and state agencies in matters concerning alcoholism and drug abuse. The total amount authorized for the ABADA component in FY 2002 is \$360,200 which funds three staff positions and all costs related to support of the 14-member board. Based on the relatively small budget, ABADA cannot absorb the \$40,900 costs of co-location, which is approximately 11% of their entire budget. This supplemental request carries no impact on state positions.

Background

During the fall meeting, the Alaska Mental Health Trust Authority asked the Advisory Board on Alcohol and Drug Abuse to consider the benefits of co-location with the Alaska Mental Health Board. ABADA staff had been reviewing options for additional space because in their location, they occupied only 400 square feet, approximately half of what is needed according to state space standards. The AMHTA was particularly interested in the two beneficiary boards co-locating because they both serve beneficiaries of the Trust and many of the clients are dually diagnosed. The AMHTA agreed to fund the costs of co-location since it was determined that it would be more efficient and increase opportunities for collaboration in the best interests of Trust beneficiaries.

Appropriate and available office space exists in a suite adjoining the AMHB. The Trust and ABADA agreed that the need for more suitable office space and the mutual goal of enhancing cross-board collaboration warranted Trust financial support of the ABADA relocation. This co-locating of boards was achievable by adding to the current lease of the AMHB.

A key benefit will be the increased opportunity for the two planning and advocacy boards to work more closely together to strategize for effective ways to meet the needs of the population of persons experiencing co-occurring mental illness and substance use disorders.

Budgetary Issues

There is no anticipated lapse within the Board's budget for FY 2002. Funds are requested in the contractual line to pay costs related to the move.

Summary of ABADA Supplemental Costs	
One-time Office Configuration/Moving Costs	27.7
One-time Wiring/Phone Rerouting	2.6
Increased Lease Costs for FY2002	10.6
Total Request	40.9

The additional lease costs have been included in the FY2003 Governor's Request.

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Bureau of Vital Statistics (961)

BRU: State Health Services (96)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FY2002 Supplemental - Governor's													
Sec 10(a)(3) Rcpt Svcs Auth to Make GF Available for Transfer for Radio Chargeback Costs													
	Suppl	75.0	0.0	0.0	75.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs	75.0												
Backup justification has been provided under separate cover.													
Totals		75.0	0.0	0.0	75.0	0.0	0.0	0.0	0.0	0.0	0	0	0

The Division of Public Health (DPH) requests an FY 2002 supplemental authorization increase of \$75.0 in Receipt Supported Services for the Bureau of Vital Statistics (BVS) Component of the State Health Services BRU.

BVS was authorized \$1,085.1 Receipt Supported Services in the FY 2002 Budget. BVS is expecting an increase in collection of Receipt Supported Services in the amount of at least \$75.0. The projected increase of \$75.0 is based on additional revenues generated from the fee increase that went into effect October 2001 to help support additional BVS rent costs that have not yet been incurred due to a significant delay in obtaining new space.

DPH will use the increased authorization for BVS to cover costs and free up general funds for transfer to the Community Health and Emergency Medical Services (CHEMS) component, to cover the unexpected increased charge back costs associated with supporting the statewide EMS communications system for FY 2002. Under AS 18.08.010, the Department of Health and Social Services (DHSS) is responsible for the development, implementation, and maintenance of a statewide comprehensive Emergency Medical Services system. CHEMS is charged with providing this service.

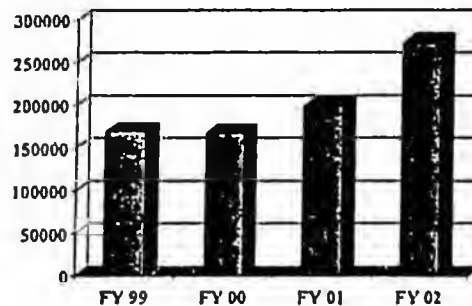
Program Information

EMS communication is one of the essential components of the statewide EMS system. The EMS system provides two-way radio coverage for volunteer ambulance services along Alaska's highway system, enabling communication between ambulance services, dispatch centers, other public safety agencies and medical personnel and facilities.

Statewide, Alaska's EMS system serves approximately 40,000 residents and visitors each year.

Although costs have increased annually, and CHEMS has planned accordingly to cover the anticipated increases, this year's increase exceeded projected costs due to a critical need from Information Technology Group (ITG) for radios and circuit equipment, depreciation of the system and the resulting maintenance and repair costs, and the loss of several paid users of the EMS system. The loss of the paid users has resulted in CHEMS and other users of the state system absorbing additional costs to keep the system operational, and was not anticipated in the proposed DHSS FY 2002 budget.

EMS CHARGEBACK COSTS



The costs associated with operating and maintaining the statewide EMS communications system have continually increased the past few years. The fiscal years 01 and 02 show dramatic increases over the previous years..

Budgetary Issues

Section 10(a)(3)

In FY01, the total Department of Administration (DOA) charge back cost to DHSS for the Statewide EMS system was \$199.2. In FY 2002, this total increased to \$273.4. The FY 2002 cost being charged by DOA is significantly higher than the projected cost at the time of FY 2002 budget preparation.

CHEMS has projected an FY 2002 General Fund (GF) deficit. The significantly increased chargebacks have made it impossible to cover the shortfall with existing GF within the CHEMS component during FY 2002. Rather than requesting a GF supplemental, Public Health proposes a non-GF supplemental in BVS in order to allow a revised program transferring GF to cover the increased charge back costs in CHEMS.

There is no other GF lapse anticipated in the Division. The line item distribution of the proposed supplemental is contractual services.

If this request is denied, in lieu of the devastating impact on the EMS communications system, other reductions in CHEMS would have to be made. The consequences of such a decision would negatively impact the ability to pursue federal funding or complete ongoing projects, as CHEMS would be unable to deliver some essential services related to the EMS system.

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Foster Care Special Need (2238)

BRU: Purchased Services (78)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FY2002 Supplemental - Governor's													
Sec 10(a)(4) Formula program growth													
	Suppl	304.6	0.0	0.0	0.0	0.0	0.0	0.0	304.6	0.0	0	0	0
1004 Gen Fund	304.6												
Backup justification has been provided under separate cover.													
Totals		304.6	0.0	0.0	0.0	0.0	0.0	0.0	304.6	0.0	0	0	0

The Division of Family and Youth Services requests a \$304.6 General Fund supplemental to ensure the continuity of client services in the Purchased Services BRU, Foster Care Special Needs component, within the Division of Family & Youth Services.

This request is also necessary in order for the State to maintain compliance with AS 47.14.100 which mandates the Department to "...pay the costs of caring for physically or mentally handicapped foster children, including the additional costs of medical care, habilitative and rehabilitative treatment, services and equipment, special clothing, and the indirect costs of medical care, including child care and transportation expenses."

Program Information

Children who have experienced abuse or neglect often present unique challenges to families, and foster parents are frequently required to access a higher level of service, such as special medical or therapeutic care, to meet the needs of the child. The Foster Care Special Needs program reimburses foster care providers for these pre-approved "one-time" goods or services that are not covered by the Foster Care Base Rate program and that are consistent with the child's case plan. All children in foster care and other out-of-home placements as well as children that are at risk of out-of-home placement are eligible to receive services under this program.

The Foster Care Special Needs component also provides funding for other services including contracts for drug testing; foster parent training as required by AS 47.14.115; foster parent fingerprinting and criminal history background checks as required by AS 47.35; and Vital Statistic data inquiries and Social Security/SSI eligibility.

Without the supplemental appropriation, the Department may possibly be unable to make the June 2002 payments associated with this program. This could delay reimbursement to foster care providers who rely on the state to meet its foster care obligations. The inability to reimburse foster care providers could also seriously impact the Department's efforts to recruit and retain foster parents. Additionally, any reduction in special needs payments may also disrupt foster home placements and result in a shortage of foster parents to care for children in state custody.

Budgetary Issues

The Foster Care Special Needs program budget is based on historical cost data and the projected caseload of the Foster Care Base Rate program. The program budget is calculated in this manner, as all children in foster care are potential recipients of Foster Care Special Needs benefits.

The Department's FY 2002 projected \$304.6 deficit for this component is summarized in the following table. The requested funds will supplement the grants line item.

Table A

Foster Care Special Needs
Summary of FY2002 Projected Budget Deficit

Total FY2002 Foster Care Special Needs Authorization:	3,199.2
Add/(Deduct) RP: \$50.0 excess IA restriction Medicaid Eligible Clients	(50.0)
Add/(Deduct) RP: \$350.0 from Foster Care Base Rate:	350.0
FY2002 Adjusted Authorization:	3,499.2
Less: Projected Expenditures for RSAs & Encumbrances	(1,063.6)
FY2002 Authorization Available for Special Needs Payments:	2,435.6
Less: Projected Special Needs Payments	(2,740.2)
FY2002 Projected Balance/(Deficit) Foster Care Special Needs:	(304.6)

The primary factor leading to the projected deficit is underfunding of the foster care caseload in FY 2002. The Department's FY 2002 budget request included a \$631.9 (50.3 Federal Receipts and \$581.6 General Fund) caseload growth increment based on an estimated 6% caseload growth in this program during FY 2002. Legislative funding of the increment request was reduced by \$557.6 and has resulted in an increment of \$74.3. The caseload underfunding of \$557.67 combined with the higher rates of utilization and the increasing higher needs of the children participating in this program necessitate the Division's supplemental request.

Fiscal Plan to Cover the FY 2002 Foster Care Special Needs Deficit

The following discussion outlines the Department's plan to cover this projected deficit.

FY 2002 Projected Deficit:	\$ 654.6
RP from Foster Care Base Rate component:	350.0
Foster Care Special Needs Supplemental:	304.6
	\$ 654.6

Revised Program from the Foster Care Base Rate component One element of the Department's plan to cover the projected deficit is to transfer \$350.0 from the Foster Care Base Rate component to the Foster Care Special Needs component. The available balance in the Foster Care Base Rate program is due to a slight reduction in the number of children in the foster care system. The overall foster care caseload has decreased over the first four months of FY 2002. Preliminary data suggests that this caseload reduction has resulted in large part due to children transitioning out of foster care and into permanent adoptive and guardianship families.

FY 2002 Supplemental

As the Foster Care Special Needs component cannot cover the projected costs with its FY 2002 available funds, the Department requests a \$304.6 General Fund supplemental.

Section 10(a)(4)

Impact on the FY 2003 Operating Budget

The Department has submitted a FY 2003 budget increment to cover the cost of projected caseload underfunding.

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2002 Supplemental - Governor's (2454)

Component: General Relief Assistance (221)

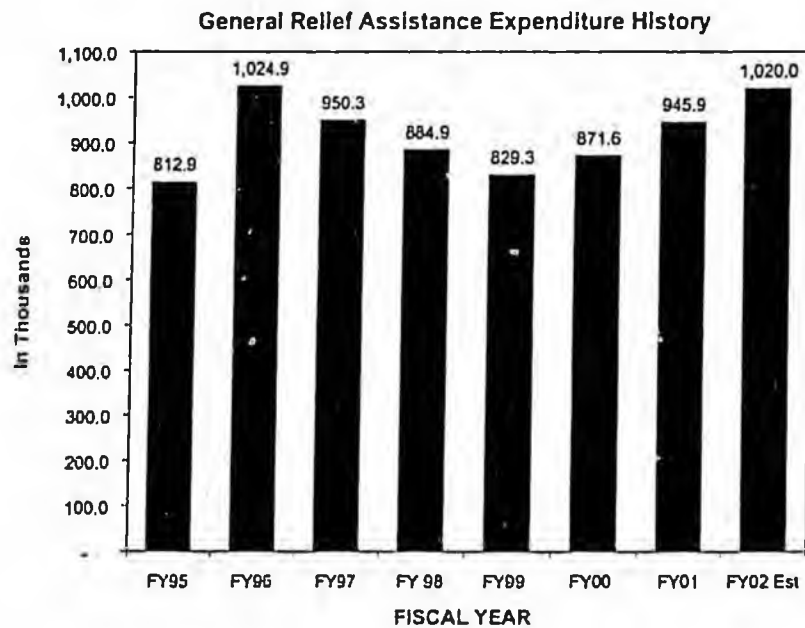
BRU: Public Assistance (73)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions PFT PPT NP		
FY2002 Supplemental - Governor's													
Sec 10(a)(5) Formula program growth													
	Suppl	190.7	0.0	0.0	0.0	0.0	0.0	0.0	190.7	0.0	0	0	0
1004 Gen Fun J	190.7												
Backup justification has been provided under separate cover.													
Totals		190.7	0.0	0.0	0.0	0.0	0.0	0.0	190.7	0.0	0	0	0

A FY 2002 supplemental of \$190.7 general funds is needed to fund GRA formula expenditures.

Alaska's GRA program dates back to territorial days and was developed as a safety net program for very low income individuals who are not eligible for other state or federal assistance. GRA is used as a last resort program to meet the emergency needs of low-income Alaskans who have no other resources available to meet those needs. Currently about 76 percent of GRA program expenditures are used to pay for funeral and burial expenses of indigent deceased persons. The remainder is used primarily to assist low-income individuals and families who are facing eviction. General Relief burial assistance pays for the costs of a casket, embalming, and a simple funeral service for Alaskans who die without any means to provide for their own burial and without family who can afford to pay.

In the last six years annual GRA program expenditures have ranged from a high of \$1,024.9 in FY 96 to a low of \$829.3 in FY 99. In FY 2001 the Legislature rolled back the GRA authorized budget from \$1,041.9 to the lower \$829.3 FY 99 actual level.



In FY 01 we were able to offset a GRA expenditure deficit with a revised program (RP) that allowed surplus funds in the OAA-ALBHH component to cover the FY 2001 GRA shortfall. There are no FY 2002 Public Assistance BRU surplus funds available to help offset the current GRA shortfall.

The FY 2002 projected GRA program expenditure is \$1,020.0 compared to \$829.3 authorized. Supplemental funding of \$190.7 is needed to fund current GRA formula services. Without this basic state service the cost of shelter and burials would fall on the communities and funeral homes of the state.

GRA formula obligation

Section 10(a)(5)

The GRA component provides a state legislated level of assistance on behalf of persons who are extremely poor and facing an emergency need and who meet certain income and resource requirements. Alaska statutory provisions creating the GRA financial commitment do not permit the Department to implement a ratable reduction of the GRA maximum payment schedule.

To qualify a person must have an immediate and specific need for food, clothing, shelter, or burial and lack the financial means to meet the needs(s). If eligible a maximum monthly payment of \$120.00 per person is allowed for meeting subsistence needs. The General Relief Assistance program pays vendors directly on behalf of eligible persons to ensure that emergency needs for food, clothing or shelter are met.

Based on the projected GRA expenditure the current GRA component authorization will be fully spent on or about May 15, 2002. In order to process and mail without delay the GRA benefits for May and June this supplemental request needs to be approved by May 1, 2002.

This FY 2002 deficit in GRA formula funding was addressed in developing the FY 2003 GRA budget. The Governor's FY 2003 request for GRA fully funds projected formula need.

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Community Health/Emergency Medical Services (2078)

BRU: State Health Services (96)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions PFT PPT NP		
FY2002 Supplemental - Governor's													
Sec 10(b) Fund Change from Tobacco Settlement to Tobacco Educ/Cess													
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1119 Tobac Sell		-487.9											
1168 Tob Ed/Ce		487.9											
Backup justification has been provided under separate cover.													
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

State Health Services
 Community Health/Emergency Medical Services (AS _____)

Section 10(b)

A supplemental fund source change is requested for \$487.9 from Tobacco Settlement Funds to Tobacco Use Education and Cessation Funds.

Background

The FY02 Budget assigned the revenue source for the Fiscal Note on Chapter 88, SLA 2001 as Tobacco Settlement Funds (GF). However, a new fund was created last year, the Tobacco Cessation and Education Fund (non-GF), into which a portion of the Tobacco Settlement was placed. The Tobacco Settlement Funds in the Tobacco Prevention and Control component were converted to the new fund source by the legislature. It is appropriate to also convert the Tobacco Settlement Funds in the CHEMS component to the new fund source.

This fund change reflects the conversion of Settlement funds to the Tobacco Use Education and Cessation funding source for FY02. A fund change has also been submitted in the FY03 Governor's Budget. This funding will continue to support the Tobacco Prevention and Control program

Summary of FY2002 Authorization	Tobacco Cessation/ Education Fund	Tobacco Settlement Funds	Total
Public Health: Tobacco Prevention and Control	2,512.1		2,512.1
Public Health: Community Hlth/EMS Svcs (HB228 FN)		487.9	487.9
Total FY2002 Authorized	2,512.1	487.9	3,000.0
Proposed Supplemental Fund Source Change	487.9	(487.9)	0.0
Adjusted FY2002 Authorization	3,000.0	-	3,000.0

Section 11

Judgments and Claims

Department of Law

MEMORANDUM

Sec 11
State of Alaska
Department of Law
Division of Administrative Services

TO: Annalee McConnell, Director
Office of Management and Budget

DATE: 31 January, 2002

FROM: Kathryn Daughhete, Director *Kad*
Division of Administrative Services

PHONE: 465-3673

SUBJECT: FY 2002 Supplemental Items

FY 2002 Judgments and Claims

The attached schedules, totaling \$816,486.85 reflect the current level of judgments and claims awaiting legislative appropriation. The funds for this request are as follows:

\$631,486.85 General Fund
\$185,000.00 PERS Fund

The need for a supplemental appropriation for expert costs in the Planned Parenthood parental right case has not yet been determined. The Attorney General has not had an opportunity to review the circumstances. Pursuant to your request for agencies to find funding sources for general fund supplemental requests, the department suggests that Ch. 61 Sec. 41, p. 93, SB 29 (*Bank of America* - \$425,000), could be used for the general fund portion of the law office assistant reclass (\$206,000) and any amount that might be needed for the aforementioned Planned Parenthood case. As you know, the Bank of America case was settled and only a small portion of those funds are being spent to support in-house work in the current fiscal year.

Thank you for your consideration of these requests, please contact me if you have questions or require further information.

cc: Bruce Botelho, Attorney General
Barbara Ritchie, Deputy Attorney General, Civil Division
Cynthia Cooper, Deputy Attorney General, Criminal Division
Dean Guaneli, Chief Assistant Attorney General, Criminal Division

Department of Law

Sec 11

FY2002 Judgments & Claims - General Funds

Item #	Case Name	Description	Date	Amount	Interest	Total	Cumulative Total
1	Darryl Thompson & Verne Rupright Doe v. Otte	Challenge to sex offender registration legislation	9/4/01	\$40,115.37	\$2,957.55	\$43,072.92	
2	ACLU Planned Parenthood of Alaska, et al v. Commissioner Perdue/DHSS	Challenge to legislative elimination of funding for the General Relief Medical Program	10/9/99 01/05/01 09/20/01	\$236,026.16	\$33,882.51	\$269,908.67	
3	Foster Pepper Rubini & Reeves ACLU v. State	Challenge to 1996 campaign finance reform legislation	4/27/00 08/30/01	\$107,954.28	\$23,706.39	\$131,660.67	
4	Steven D. Smith, P.C. CSED v. Ragula	Child support lien and withholding lien vs. attorney's lien	6/30/00 9/27/01	\$2,344.08	\$268.48	\$2,612.56	
5	Michael Gershel, Esq. Brooker v. Brooker	Agreements between private parties not involving CSED	10/30/01	\$525.00	\$31.46	\$556.46	
6	Hagans, Ahearn, McLaughlin & Webb Herold v. State	Wrongful termination	1/2/02	\$80,000.00	\$0.00	\$80,000.00	
7	Alaska Legal Services Corporation Quinhagak v. U.S.	Subsistence jurisdiction over navigable rivers	9/30/96 10/24/00	\$82,525.07	\$16,955.56	\$99,480.63	
8	Marston & Cole Trust Fund Thomas Brown v. DMV	Right to due process re: telephonic testimony in driver's license revocation administrative hearing	1/7/02	\$414.43	\$52.81	\$467.24	
9	Kasmar & Slone ITF Peter T. Knight Peter T. Knight v. DMV	Right to due process re: telephonic testimony in driver's license revocation administrative hearing	1/7/02	\$873.20	\$17.69	\$890.89	
10	Randall Luffberry, Esq. ITF Donald A. Ryall Donald Ryall v. DMV	Challenge to administrative revocation of driver's license	10/31/01	\$1,262.14	\$75.31	\$1,337.45	
11	Ingaldson Maassen, P.C. ITF Nicholas Digel Nicholas Digel v. DMV	Reversal of administrative revocation of driver's license due to supreme court striking down "use it and lose it" law	5/7/01	\$229.01	\$23.66	\$252.67	

Department of Law

FY2002 Judgments & Claims - General Funds

Sec 11

Item #	Case Name	Description	Date	Amount	Interest	Total	Cumulative Total
12	Larry L. Caudle Brandon Garrett v. DMV	Reversal of administrative revocation of driver's license due to supreme court striking down "use it and lose it" law	5/7/01	\$536.50	\$64.55	\$601.05	
13	Bankston, Gronning et.al, P.C. ITF for Melissa Witteveen Melissa Witteveen v. DMV	Reversal of administrative revocation of driver's license due to supreme court striking down "use it and lose it" law	5/11/01	\$500.00	\$51.16	\$551.16	
14	Richard Brandon v. Corrections	Ambiguity as to filing fee deadline in inmate civil case	9/4/01	\$87.00	\$7.48	\$94.48	
15	Foster, Pepper, Rubini & Reeves Ulmer v. Alaska Restaurant and Beverages	Challenge to ballot initiative increasing state's liquor taxes	11/9/01	\$1,595.67	\$91.67	\$1,687.34	\$631,486.85

FY 2002 Judgments - Other Fund Sources

Sec 11

Item #	Case Name	Description	Date	Amount	Interest	Total	Fund Source
1	Dennis Bailey, Esq. ITF Terri Hale Terri Hale v. State, PERS	Settlement in occupational disability case	10/11/01	\$185,000.00	\$0.00	\$185,000.00	PERS Fund

Section 11
Judgments and Claims

Department of Law

Doe v Otte

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

**This form will be used for the purpose of standardizing the submission of claims to the Legislature. Complete and accurate information will expedite payment to the claimants, thereby reducing the amount of interest required to be paid by the state. If any of the information changes, please immediately advise the Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3673.

PART ONE

1. Case Name: Doe v. Otte
 2. Case Number: 99-35845 (U.S. Court of Appeals for 9th Cir.)
 3. Judge/Justices: D. Nelson, Reinhardt, Thomas
 4. Date Judgment entered: 9/4/01
 5. Did the date of the cause of action accrue on or after August 7, 1997? No
 6. Amount to be paid: N/A
 7. Interest Rate: 9% (kad) Effective Date: 9/4/01 (kad)
 8. Requested hourly rate and total compensation of attorneys to be paid: \$ 150/hr.; \$ 55,694.27
 9. Court approved/ordered hourly rate and total compensation of attorneys to be paid: \$ 150/hr.; \$ 39,854.27 (in addition, the court awarded costs of \$261.10 for a total of \$40,115.37)
 10. Payable to: Darryl L. Thompson and Verne E. Rupright
 11. EIN: _____ or SSN: _____
 12. Send check to: _____ above address Departmental contact: x
- Departmental attorney contact: _____ Departmental Approval: _____

Kenneth M. Rosenstein
Name

907-269-6250
Telephone Number

Revised 08/25/99

Cynthia M. Cooper
Deputy Attorney General

10/18/01
Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST
QUESTIONNAIRE

PART TWO

The following information needs to be provided on all judgment awards and/or settlements made against the State.

Case Name: Doe v. Otte

Case No.: 99-35845 (U.S. Court of Appeals for 9th Cir.)

1. Describe the circumstances or events resulting in this case and ultimately this judgment/settlement against the State.

In 1994, the legislature enacted legislation requiring convicted sex offenders to register with the Department of Public Safety. The legislation required registration by many sex offenders who had been convicted before the effective date of the statute.

This case involved a challenge by two individuals who had been convicted of sex offenses in the 1980's who claimed that the statute violated the constitutional prohibition against ex post facto laws and also due process.

The state obtained summary judgment in its favor in U.S. District Court, and the plaintiffs appealed to the U.S. Court of Appeals for the Ninth Circuit. The court of appeals reversed the district court on ex post facto grounds. The court of appeals also awarded the plaintiffs costs and attorney's fees.

2. Describe issues of State policy or law involved in this case, if they are relevant to and resulted in substantial effort and expense for the department to bring or defend this case.

The legislature enacted the sex offender registration act to protect the public by providing information regarding the whereabouts of convicted sex offenders. This lawsuit threatened the integrity of the legislative scheme by seeking to exempt from registration those sex offenders who were convicted before the effective date of the act. The department mounted a vigorous defense to preserve that legislative scheme and the legislature's intent.

3. Did the State prevail on any issues? If so, describe.

No

4. Did we challenge plaintiffs' request for costs and fees or in other ways seek to reduce the costs to the State? If so, describe to what extent we were successful.

The appellants initially asked for attorney's fees in the amount of \$ 55,694.27. This included their request that the base amount of their fees (hours expended x hourly rate) be increased by 50% because of various factors.

The state opposed both the base amount of the appellants' request as well as their request for a 50% increase of the base amount. The state argued that the appellants' lawyers had submitted incomplete, inconsistent, and duplicative documentation. The state also argued that this case involved no factors that would warrant increasing a fee award beyond the base amount.

The appellants also asked for cost reimbursement in the amount of \$261.10 (this covered the cost of printing and serving their brief).

The court awarded \$ 39,854.27 for attorney's fees and \$261.10 for costs for a total of \$40,115.37.

5. What was the source of the State's liability in this case?

Federal law (42 U.S.C. § 1983) authorizes suits by individuals who claim that a state statute deprives them of any rights under the federal constitution. The plaintiffs in this case filed suit against the state in federal district court alleging that the sex offender registration laws violated the federal constitutional prohibition against ex post facto laws. They also alleged that the laws violated their constitutional guarantee of due process by infringing their right to privacy and other asserted rights.

The district court granted the state's motion for summary judgment and issued a judgment in the state's favor. The plaintiffs appealed to the Ninth Circuit Court of Appeals. After briefing and argument, the court of appeals ruled that the sex offender registration statute was an unconstitutional ex post facto law. The court of appeals did not decide the due process claims.

Federal law (42 U.S.C. § 1988) authorizes a federal court to award attorney's fees to a party who prevails in a suit brought under 42 U.S.C. § 1983. Federal law (28 U.S.C. § 1920) also authorizes a federal court to award certain costs to a prevailing party in a suit brought in federal court. After the plaintiffs prevailed on appeal, they applied for an award of costs and fees. As described in ¶ 4, the court of appeals granted that application.

6. What, if any, preventative action has been taken by the involved agency to prevent or reduce the potential for such liability in the future?

No action is appropriate at this time. The state will be asking the U.S. Supreme Court to review the federal court of appeals' decision. In addition, the Alaska Supreme Court has two pending cases in which it will be reviewing the sex offender registration laws in light of the decision in *Doe v. Otte*.

The Department of Law should continue to vigorously defend against legal challenges to the laws enacted by the legislature. The Department of Public Safety should continue to administer the sex offender registration laws.

7. If the information is available to you, has the agency involved taken any corrective action as a result of this case? If the information is not protected from publication by statute, privilege, or right to privacy, indicate what the corrective action was.

None is appropriate at this time. The state has treated the decision in this case as applying only to the plaintiffs and not to other sex offenders who were convicted before the 1994 effective date of the sex offender registration law. The Department of Public Safety has continued to administer the sex registration laws and the Department of Law has continued to prosecute persons who violate those laws.

8. Any recommendations concerning cases of this type in the future?

No

9. Any recommendations for changes in statutes, regulations or policy? Cite any applicable statutes or regulations.

No

Attorney completing form:

Kenneth M. Rosenstein

Assistant Attorney General
Title

Date:

10/18/01

907-269-6250
Phone Number

NOT FOR PUBLICATION
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

FILED

SEP - 4 2001

CATHY A. GATTER, CLERK
U.S. COURT OF APPEALS

JOHN DOE I, JANE DOE, and
JOHN DOE II,

Plaintiffs-Appellants,

v.

RONALD O. OTTE and BRUCE M.
BOTELHO,

Defendants-Appellees.

No. 99-35845

D.C. No. CV-94-00206-HRH

ORDER

Before D. NELSON, REINHARDT, and THOMAS, Circuit Judges:

Upon reviewing appellants' request for attorney's fees, appellees' opposition, and appellants' reply, it is hereby ordered that appellants are awarded such fees in the amount of \$39,854.27.

RECEIVED

DEPARTMENT OF LAW

SEP 10 2001

OFFICE OF SPECIAL PROSECUTIONS
AND APPEALS
ANCHORAGE, ALASKA

rd by: EJ KMR

to: _____

99-90354

A TRUE COPY
 CATHY A. CATTERSON
 Clerk of Court
 ATTEST

AUG 31 2001

United States Court of Appeals for the Ninth Circuit
 BILL OF COSTS

... wish to file a bill of costs- it MUST be submitted on this form and filed, with the clerk, with proof of service, within 14 days of the date of entry of judgment, and in accordance with Circuit Rule 39-1. A late bill of costs must be accompanied by a motion showing good cause. Please refer to FRAP 39,28 U.S.C. § 1920, and Circuit Rule 39-1 when preparing your bill of costs.

John Doe, et al v. Ronald L. Otte, et al CA No. 99-35845

The Clerk is requested to tax the following costs against Ronald Otte, State of Alaska, et al

COST TAXABLE UNDER FRAP 39,28 U.S.C. § 1920, Circuit Rule 39-1	REQUESTED Each Colman Must Be Completed				ALLOWED To Be Completed by the Clerk			
	No. of Documents*	Pages per Document	Cost per Page**	TOTAL COST	No. of Documents	Pages per Document	Cost per Page	TOTAL COST
Excerpt of Record	7	111	.008	63.60				63.60
Appellants Brief	18	110	.009	197.50				197.50
Appellee's Brief	N/A	N/A	N/A	N/A				
Appellant's Reply Brief	N/A	N/A	N/A	N/A				
Other See Affidavit	Of Counsel	Attached	-----	4,269.27				
			TOTAL:	\$5,030.37			TOTAL:	\$ 261.10

Other: Any other requests must be accompanied by a statement explaining why the item(s) should be taxed pursuant to Circuit Rule 39-1. Additional items without such supporting statements will not be considered.

Attorneys fees cannot be requested on this form

* If more than 7 excerpts or 20 briefs are requested a statement explaining the excess number must be submitted.

** Costs per page may not exceed .20 or actual cost, whichever is less. Circuit Rule 39-1.

See C.R. 39-1

I, D. Thompson, swear under penalty of perjury that the services for which costs are taxed were actually and necessarily performed, and that the requested costs were actually expended as listed. If the printer's itemized statement showing actual costs per page is attached.

Signature: [Signature]

Date: 4/17/01

FILED

Name of Counsel (printed or typed): Darryl L. Thompson

Attorney for: John Doe I, Jane Doe

APR 23 2001

Date: 8/31/01

Costs are taxed in the amount of \$ 261.10

Clerk of Court
 By: [Signature] Deputy Clerk

CATHY A. CATTERSON, CLERK
 U.S. COURT OF APPEALS

JUDGMENT

COSTS TAXED

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

FILED

SEP 04 2001

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA
By CAC Deputy

NO. 99-35845
CT/AG#: CV-94-00206-HRH

JOHN DOE, I; JANE DOE; JOHN DOE, II
Plaintiffs - Appellants

v.

RONALD L. OTTE; BRUCE M. BOTELHO
Defendants - Appellees

RECEIVED
DEPARTMENT OF LAW
SEP - 6 2001
OFFICE OF SPECIAL PROSECUTIONS
AND APPEALS
ANCHORAGE, ALASKA

ALASKA NETWORK ON DOMESTICE VIOLENCE & SEXUAL ASSAULT
Amicus

APPEAL FROM the United States District Court for the
District of Alaska (Anchorage) .

THIS CAUSE came on to be heard on the Transcript of the
Record from the United States District Court for the
District of Alaska (Anchorage) and was duly submitted.

ON CONSIDERATION WHEREOF, It is now here ordered and
adjudged by this Court, that the judgment of the said
District Court in this cause be, and hereby is REVERSED AND REMANDED.

Filed and entered: 04/09/01

rd by: EJ → KMR

A TRUE COPY
CATHY A. CATTERSON
Clerk of Court
ATTEST

AUG 31 2001

by: gr
Deputy Clerk

. THOMPSON
. LOMBARDI
. HANLEY (AG-STE-308)

v. RUPRIGHT
Judge Holland

143

Section 11

Judgments and Claims

Department of Law

Planned Parenthood v Perdue

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

**This form will be used for the purpose of standardizing the submission of claims to the Legislature. Complete and accurate information will expedite payment to the claimants, thereby reducing the amount of interest required to be paid by the state. If any of the information changes, please immediately advise the Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3673.

PART ONE

1. **Case Name:** Planned Parenthood of Alaska, *et al* v. Commissioner Perdue, DHSS, State of Alaska
2. **Case Number:** 3AN-98-7004 CI (Appeal No.: S-09109)
3. **Judge/Justices:** Judge Sen K. Tan, Chief Justice Fabe (unanimous decision)
4. **Date Judgment entered:** The Superior Court entered its judgment on April 4, 1999, and was affirmed by the Alaska Supreme Court on July 27, 2001.
5. **Did the date of the cause of action accrue on or after August 7, 1997?**
Yes, the complaint was filed June 17, 1998.
6. **Amount to be paid:**

There were three separate fee awards, one in 1999 for the initial case through summary judgment, a second award in 2001 for the discovery and hearings on contempt when the legislature failed to appropriate funds to pay for the services the court had ordered the state to pay, and a third award for the appeal.

a)	Attorney fees \$106,372.50	b)	\$54,539.10	c)	\$67,150.00
	Litigation costs \$3,555.91		\$ 3,543.25		\$ 865.40

7. **Interest Rate:** a) 7.5% b) 8.0% c) 9.0%
Effective Date: a) Oct. 19, 1999 b) January 5, 2001 c) September 20, 2001
8. **Requested hourly rate and total compensation of attorneys to be paid:**
\$130-\$250/hour (several different attorneys); total \$160,911.60.
9. **Court approved/ordered hourly rate and total compensation of attorneys to be paid:**
same as above.

10. Payable to: American Civil Liberties Union Foundation
125 Broad St., 18th Floor
New York, NY 10004

11. EIN: 136213516 or SSN:

12. Send check to: X above address Departmental contact: _____

Departmental attorney contact:

Departmental Approval:

Lisa M. Kirsch

Deputy Attorney General

(907) 465-3600
Telephone Number

Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST
QUESTIONNAIRE

PART TWO

The following information needs to be provided on all judgment awards and/or settlements made against the State.

Case Name: Planned Parenthood of Alaska, Inc., et al. v. Perdue, and on appeal,
State of Alaska, DHSS, et al. v. Planned Parenthood of Alaska, Inc., et al.

Case No.: 3AN-98-7004 CI (Superior Court)
S-09109 (Supreme Court)

1. Describe the circumstances or events resulting in this case and ultimately this judgment/settlement against the State.

During the 1998 legislative session, the legislature eliminated funding for the General Relief Medical Program. This program formerly paid for medical services for poor Alaskans that were not reimbursed under the Medicaid program, including therapeutic abortions.

In June of 1998, Planned Parenthood of Alaska and two doctors filed a complaint alleging that the failure to pay for medically necessary abortions violated the constitutional rights of Medicaid eligible women under Alaska's constitution.

In April of 1999, the Superior Court found that under the Alaska constitution, failure to fund medically necessary abortion for Medicaid eligible women--while funding childbirth for these same women--constituted a violation of the right of privacy of women who chose a medically necessary abortion.

On July 27, 2001, the Alaska Supreme Court affirmed the Superior Court decision, but based its decision upon equal protection instead of the right of privacy.

2. Describe issues of State policy or law involved in this case, if they are relevant to and resulted in substantial effort and expense for the department to bring or defend this case.

This case raised several important constitutional issues. Plaintiffs asked the court to apply Alaska's express right of privacy to compel state funding. Plaintiffs also argued that the

state had violated the equal protection rights, civil rights, and human rights of Medicaid eligible women under Alaska law.

The plaintiffs' request for relief necessitated the court's review of state budget issues and an order directing the spending of state funds. The state argued that this result would violate separation of powers doctrine as it relates to the Alaska budget process. It required many resources to review the detailed budget of DHSS, to review the vast array of other documents pertaining to the DHSS budget, and to depose DHSS staff regarding budget issues.

The intervention of several amici curiae (friends of the court) also expanded the scope of the legal arguments. The legislature and United Families International entered this case as amici to argue in opposition to plaintiffs, and National Organization for Women entered as an amicus supporting plaintiffs' position.

3. Did the State prevail on any issues? If so, describe.

The state did not prevail on any major issue. We were successful in preventing the issuance of a TRO. We were also successful in showing cause why the state should not be held in contempt, and we were successful in reducing some costs claimed by plaintiffs.

4. Did we challenge plaintiffs' request for costs and fees or in other ways seek to reduce the costs to the State? If so, describe to what extent we were successful.

We challenged the status of the doctor plaintiffs as public interest litigants, the reasonableness of the plaintiffs' attorney fees, and objected to plaintiffs' billing for costs not allowed under the Civil Rules. We succeeded in reducing the costs by \$2,024.50.

5. What was the source of the State's liability in this case?

Civil Rule 82 provides for an award of attorney fees to a prevailing party in a civil case. Civil Rule 79 provides for an award of costs to a prevailing party. Plaintiffs received full reasonable fees here because they prevailed, and because they are public interest litigants. *Anchorage Daily News v. Anchorage School District*, 803 P.2d 402, 404 (Alaska 1990).

6. What, if any, preventative action has been taken by the involved agency to prevent or reduce the potential for such liability in the future?

This question does not apply to this case.

7. If the information is available to you, has the agency involved taken any corrective action as a result of this case? If the information is not protected from publication by statute, privilege, or right to privacy, indicate what the corrective action was.

This question does not apply to this case.

8. Any recommendations concerning cases of this type in the future?

No, unique cases, such as this one, would not necessarily give rise to recommendations, or changes in statute, regulation, or policy.

9. Any recommendations for changes in statutes, regulations or policy? Cite any applicable statutes or regulations.

See #8.

Attorney completing form:

Date: 10/22/01

Lisa M. Kirsch
Assistant Attorney General

OCT 21 1999

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT

PLANNED PARENTHOOD OF ALASKA
INC., JAN WHITEFIELD. M.D.,
AND SUSAN LEMAGIE, M.D.,

Plaintiffs,

v.

KAREN PERDUE, Commissioner,
Department of Health and
Social Services, and the
DEPARTMENT OF HEALTH AND
SOCIAL SERVICES, STATE OF
ALASKA

Defendants.

ORDER

I. INTRODUCTION

This order addresses two issues, the Motion for Stay of Injunction, and the Plaintiffs' Motion for Attorneys' Fees and Costs.

These motions follow from the court's decision granting plaintiffs summary judgment declaring certain regulations unconstitutional. In the Final Judgment, the defendants were enjoined from enforcing the regulation.

II. MOTION FOR STAY OF INJUNCTION

Under Alaska Civil Rule 62(c), "the court in its discretion may suspend, modify, restore or grant an injunction during the pendency of the appeal." In deciding whether or not to grant a

stay, Powell v. City of Anchorage, 536, P.2d 1228, 1229 (Alaska 1973) adopted the four factor test set out in Moore's Federal Practice, (2d ed. 1972). The current edition of Moore's Federal Practice, section 62.06, at 62-15 (3d ed. 1998) sets out the updated criteria as:

1. the likelihood of prevailing on the merits on appeal;
2. the likelihood of suffering irreparable injury;
3. the other parties involved will not be substantially harmed by granting of the stay; and
4. the granting of the stay will serve the public interest.

A. The Likelihood of Prevailing on the Merits on Appeal

The defendants reiterated the same arguments they raised in opposition to summary judgment. Those arguments were fully addressed in this court's March 16, 1999 decision. I decline to revisit those issues here, other than to note that given the Alaska Supreme Court's decision in Valley Hospital Association, Inc. v. Mat-Su Coalition for Choice, 948 P.2d 963, 969 (Alaska 1997), the defendant's likelihood of prevailing on the merits is low. Also, the defendant's separation of powers argument contradicts established principles of law.

B. The Likelihood of Suffering Irreparable Injury

Defendants argue that the irreparable harm that would result from this court's order comes in three forms, "the Department is left with a 'choice' between spending money in violation of legislative intent and appropriations acts; incurring a debt in violation of statute; or amending the state Medicaid plan in

violation of statutory authority to end coverage of pregnancy-related services." Memorandum at 7. This court recognizes that the defendants are faced with difficult choices. But that alone does not equate to irreparable harm.

Addressing the concerns in turn, defendants contend that to reallocate money to cover the services in question would violate the express intent of the legislature that the funds be spent in a certain manner. Deference to legislative intent, however, cannot override constitutional guarantees. Therefore, there is no irreparable harm.

Next, defendants argue that by diverting money for medically necessary abortions would mean a loss of federal funds, or the state could incur a debt to abortion providers. Certainly the defendants will have to make choices with economic consequences:

----- But economic injury by itself does not constitute irreparable harm.

Defendants also argue that enforcement of the injunction may result in the elimination of pregnancy-related services entirely. But this scenario is only one of several outcomes, depending on the choices made by the defendants. Because there are alternatives available, it does not follow that all pregnancy-related services would be eliminated from the entire Alaska Medicaid program.

In reality, there is no irreparable harm.

C. The Plaintiffs Will Not Be Substantially Harmed by the Stay

The plaintiffs in this case are Planned Parenthood and doctors; they will not be substantially harmed by the granting of a stay. Planned Parenthood and the doctors seek to represent

unidentified plaintiff Jane Does. Those interests are better considered under the next factor, addressing public policy.

D. The Granting of a Stay Will Serve the Public Interest

The granting of a stay here will not serve a public purpose. Here, this court has concluded that there has been an ongoing violation of the Alaska Constitution. To allow further violation of the Alaska Constitution is corrosive to the rights of citizens and should not be countenanced.

Further, there is a class of low-income women who will be denied medical services based on their reproductive choice. This does not serve the public interest.

Considering the Powell factors, they weigh in favor of denying a stay. Accordingly, the Motion for Stay of Injunction is DENIED.

III. MOTION FOR ATTORNEYS' FEES AND COSTS

Plaintiffs move as public interest litigants for full attorneys' fees. Defendants dispute whether plaintiffs qualify as public interest litigants, and they also question the reasonableness of some of the fees sought. Lastly, defendants object to certain parts of the cost bill.

A prevailing public interest litigant is normally entitled to full reasonable attorney's fees. To qualify as a public interest litigant, Alaska has articulated a four part test:

1. Is the case designed to effectuate strong public policies?
2. If the plaintiff succeeds will numerous people receive

benefits from the lawsuit?

3. Can only a private party have been expected to bring a suit?
4. Would the purported public interest litigant have sufficient economic incentive to file suit even if the action involved issues lacking general importance.

Municipality of Anchorage v. CFRG, 880 P.2d 1058, 1061-61 (Alaska 1994) (citing Anchorage Daily News v. Anchorage School District, 803 P.2d 402, 404 (Alaska 1990)).

In a prior case, this court has ruled that plaintiffs, such as those here, are public interest litigants. Planned Parent of Alaska, Jan Whitefield, M.D., Robert Klem, M.D., Jane Does I-X v. State of Alaska, 3AN-97-6014 CI. In opposition, defendants appear to concede the first three factors, as they focus only on the fourth. They argue that because the plaintiffs have an economic stake in the outcome of the case, plaintiffs do not qualify as public interest litigants.

There are three plaintiffs here. Planned Parenthood of Alaska is a nonprofit corporation that provides a broad range of family planning and health services. Planned Parenthood of Alaska does not provide abortion services. Thus, there is no economic incentive for the organization to participate in this lawsuit. Defendants suggest that Planned Parenthood may benefit from the lawsuit because of the loan fund set up by the organization to provide services denied by the State. But there is no evidence that Planned Parenthood has sought reimbursement from the state for

expenditures from the loan fund. Absent such a nexus, there is no economic incentive for Planned Parenthood to participate in the lawsuit.

With respect to Dr. Whitefield and Dr. Lemagie, both have an economic interest in the outcome of the case. Both doctors provide abortion services to low-income women. But the test is whether the doctors have sufficient economic incentive to file suit even if the action has no issues of general importance. I find that they do not.

Dr. Whitefield's affidavit provides that his clinic "suffered little or no economic loss." The doctor has a backlog of patients for gynecological and obstetrical care other than abortions, and he can replace any lost income from those patients.

Dr. Lemagie's affidavit states that abortion services comprise a small part of her practice, and contribute "a very small part" of her annual income. Like Dr. Whitefield, Dr. Lemagie also has a backlog of patients seeking other services that would replace any lost income from not performing abortions. Since there are no real economic incentives for the doctors to pursue this case, I conclude that the fourth factor is also satisfied.

Accordingly, the plaintiffs qualify as public interest litigants.

The defendants argue that even if plaintiffs qualify as public interest litigants, this court should evaluate the reasonableness of awarding full fees. Here, defendants advance two arguments: (1) that plaintiffs failed to get a TRO, and (2) the work done at the

TRO stage. was duplicated at summary judgment. I reject both arguments.

By nature, there is bound to be some duplication of effort by a party seeking a TRO, and later a permanent injunction. A TRO is a temporary remedy, and is often the precursor to a more fully developed factual and legal challenge. This was indeed the case here, and the duplication of effort was neither unjustified nor excessive.

Next, the defendant is essentially asking the court to reduce fees because plaintiffs failed to prevail at the TRO stage. In essence, this court is asked to apportion fees based on result. This same argument was rejected by Dansereau v. Ulmer, 955 P.2d 916, 919-20 (Alaska 1998), a case where the trial judge was reversed for apportioning fees by issue. The Alaska Supreme Court ruled that "attorney's fees for public interest litigants, therefore may only be apportioned only in exceptional circumstances." Id. at 920. The defendants have not established exceptional circumstances here.

Lastly, the defendants ask for some adjustment in allowable costs. The defendants' request is granted. Civil Rule 79 governs the recovery of costs. One objected item is the cost of travel for Ms. Landau to attend the TRO hearing. Civil Rule 79(g)(1)(A) provides that travel costs will be allowed for "one attorney to attend . . . hearings . . . but only if no local attorney is present." Ms. Schleuss was local counsel and was present at the hearing. The fact that plaintiffs made a choice for Ms. Landau to

present the case is not an exception to Civil Rule 79(g)(1)(A). Therefore, Ms. Landau's travel cost of \$1,851.20 is disallowed.

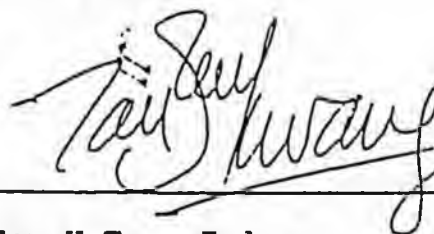
Lastly, the cost of shipping of exhibits and other material is not an allowable cost under Civil Rule 79. The Clerk of Court is requested to make the proper adjustments.

IV. CONCLUSION

Having reviewed the motions, oppositions and replies, this court orders the following:

- (1) The motion for Stay of Injunction is DENIED;
- (2) Plaintiffs' Motion for Attorneys' Fees GRANTED. Plaintiffs are public interest litigants and shall be awarded full attorneys' fee in the amount of \$106,372.50;
- (3) The matter of taxable costs is reduced by travel costs for Ms. Landau and for shipping costs. The Clerk of Court is directed to make the necessary adjustments.

Dated this 19th day of October, 1999.



Sen K Tan, Judge

I certify that on 10-20-99
a copy of the above was mailed to each
of the following at their addresses of
record.

E. Muller Schless
Kirsch (AA)
Secretary/Deputy Clerk

IN THE DISTRICT/SUPERIOR COURT FOR THE STATE OF ALASKA
AT ANCHORAGE

Planned Parenthood of Alaska, et al.)
Plaintiff(s))
vs.)
Perdue, et al.,)
Defendant(s))

CASE NO. JAN-98-07004 CI

COST BILL

Plaintiff(s) Defendant(s) seek to recover the costs listed below. These costs are allowable under Civil Rule 79(f) and were necessarily incurred in the action. The amount listed for each item is the amount specified in the rule or the cost actually incurred.

		Date Incurred (only required if relevant under Civil Rule 6E)
1. Filing fee	\$ <u>100.00</u>	_____
2. Service of process	\$ <u>65.00</u>	_____
3. Other process server fees	\$ _____	_____
4. Publication	\$ _____	_____
5. Premiums for undertakings, bonds, and other security	\$ _____	_____
6. Depositions		
a. Court reporter's fee	\$ <u>140.00</u>	_____
b. Court reporter's travel expenses	\$ _____	_____
c. Audio and audio-visual deposition costs	\$ _____	_____
d. Transcript **	\$ <u>702.94</u>	_____
e. List deponents: <u>Nancy Weller</u> <u>and Randall Super</u>		_____

**This figure reflects costs for the transcript (552.05), exhibit duplication (30.75), signature requested (50.00), copies CIV-410 (7/98) (cs) (30.00) and city tax (40.14).
Page 1 of 3
COST BILL

Civil R. 79
Admin. R. 29

- 7. Witness fees
 - a. Non-expert witnesses \$ _____
List: _____

 - b. Expert witnesses \$ _____
List: _____

- 8. Interpreter and translator fees \$ _____
- 9. Total travel \$ 2,355.20 -
(Attach itemized trip information. See form CIV-411.)
- 10. Long distance telephone charges for telephonic participation at court proceedings, depositions, the meeting of the parties, and witness interviews \$ 122.65
- 11. Computerized legal research \$ _____
- 12. Copying
 - a. In-house copies (\$.15 per page) \$ 1792.65
 - b. Outside copy costs (actual cost) \$ 128.67
 - c. Other. Describe: _____

- 13. Exhibit preparation *** \$ 173.30
- 14. Court-ordered transcripts \$ _____
- 15. Other costs allowed by statute. Describe: _____

TOTAL COSTS \$ 5580.41

April 22, 1999
Date

Jennifer Dalven
Signature
ACLU, 125 Broad Street, Floor 18
Mailing Address
New York, NY 10004
City State Zip
212 549 2641
Daytime Phone

*** These are costs incurred in shipping exhibits and other briefing materials.

Attachment To Cost Bill

Case No. 3AN-98-07004 CJ

Page 1 of 1

ITEMIZED TRIP INFORMATION

Traveler Christine Schleuss attorney legal assistant investigator witness
 Reason for travel depositions Travel date(s) 7/31/98
 Airfare (coach fare or actual fare, whichever is less) \$ 467.00
 Ground transportation
 Car rental and taxi outside traveler's home city \$ 37.00
 Mileage at \$.31 per mile for privately-owned vehicle \$ _____
 Meals (daily allowance is \$42.00 for Alaska and \$36.00 for contiguous United States) \$ _____
 Lodging (actual room costs only) \$ _____
TOTAL COST \$ 504.00

ITEMIZED TRIP INFORMATION ****

Traveler Lisa Landau attorney legal assistant investigator witness
 Reason for travel oral argument (pro) Travel date(s) 6/29 7/1
 Airfare (coach fare or actual fare, whichever is less) \$ 1740.00
 Ground transportation
 Car rental and taxi outside traveler's home city \$ _____
 Mileage at \$.31 per mile for privately-owned vehicle \$ _____
 Meals (daily allowance is \$42.00 for Alaska and \$36.00 for contiguous United States) \$ 19.60
 Lodging (actual room costs only) \$ 91.80
TOTAL COST \$ 1851.20

ITEMIZED TRIP INFORMATION

Traveler _____ attorney legal assistant investigator witness
 Reason for travel _____ Travel date(s) _____
 Airfare (coach fare or actual fare, whichever is less) \$ _____
 Ground transportation
 Car rental and taxi outside traveler's home city \$ _____
 Mileage at \$.31 per mile for privately-owned vehicle \$ _____
 Meals (daily allowance is \$42.00 for Alaska and \$36.00 for contiguous United States) \$ _____
 Lodging (actual room costs only) \$ _____
TOTAL COST \$ _____

Alaska counsel, Ms. Schleuss, was present at the hearing; however, Ms. Landau's travel was necessary as she was presenting the argument in support of the injunctive relief.

Verification

I state on oath or affirm that I have read this cost bill and its attachments and that all statements and costs contained in these documents are true and correct.

Jennifer DeLuca
Signature

Subscribed and sworn to or affirmed before me at New York
Alaska, on 4/22/99
New York (date)

(SEAL)

Louise Melling
Clerk of Court, Notary Public, or (other person
authorized to administer oaths.
My commission expires: _____

I certify that on 4-23-99
a copy of this cost bill was served
on: Lissa Kirsch
By: M. C. [unclear] By mail & by fax

LOUISE MELLING
NOTARY PUBLIC, State of New York
No. ME-02-497808
Qualified in New York County
Commission Expires June 15, 2004
2000

CLERK'S RULING ON COST BILL

Costs are hereby taxed in favor of _____

and against _____

Remarks: _____

Date _____

I certify that on _____
a copy of this ruling was served
to:

Clerk: _____

The clerk never
ruled on this.
Instead it's got
an amended
judgment
combining both
fee / cost awards.
See the
Proposed
Amended
Judgment
dated 3/14/01

1-25-01

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT

PLANNED PARENTHOOD OF ALASKA,)
 INC, et al.,)
)
 Plaintiffs,)
)
 v.)
)
 KAREN PERDUE, Commissioner,)
 Department of Health and)
 Social Services, et al.,)
)
 Defendants.)

RECEIVED

JAN 30 2001

ATTORNEY GENERAL'S OFFICE
JUNEAU

Case No. 3AN-98-07004 CI

ORDER

This matter is before the court on the award of attorneys' fees related to the show cause hearing. In October 19, 1999, this court previously found the plaintiffs to be public interest litigants, and will do so here, subject to the objections of defendants.

Additionally, defendants contend that certain fees claimed by the plaintiffs are duplicative of earlier efforts. The objections center around the substitution of attorney Ms. Yetzer in place of her predecessor Ms. Landau. The defendants contend that a total of 37 hours should be reduced for the review of files.

Review of defendants' specific objections show that of the 37 hours, 20 hours were expended reading the complaint, answer, decision, deposition, memoranda, statutes, and case

law relating to the case. Another 17 were expended on legal research and drafting a memorandum of law.

The issue of duplicative attorney fees when a new attorney enters a case was addressed in *Tenala, Ltd., v. Fowler*, 993 P.2d 447, 452 (Alaska 1999). There the court stated "to the extent that work performed is duplicative and unnecessary, it should not be considered." (cite omitted). The court found that reviewing files was not *per se* unnecessary.

In this case, more than one year had passed between the court's summary judgment order and the order to show cause motion. Even if Ms. Landau had not departed, she would need some time to review the case file to prepare the new motion. The substitution of Ms. Yetzer may have incrementally increased the review time, but it was necessary work. Further, the amount of time actually spent on re-reading material is modest, and the court does not regard it as unnecessary or excessive.

Accordingly, the Plaintiffs are awarded the sum of \$58,082.35 for attorneys' fees and costs as the prevailing party.

Dated January 25, 2001.



SEN K. TAN
Superior Court Judge

I certify that on 1-26-01
a copy of the above was mailed to each
of the following at their addresses of
record.

Schluess
Kirch
E. Miller

In the Supreme Court of the State of Alaska

RECEIVED
SEP 25 2001
ATTORNEY GENERAL'S OFFICE
JUNEAU

State of Alaska, DHSS, et al.,)
)
 Appellants,)
 v.)
)
 Planned Parenthood of Alaska, et al.,)
)
 Appellees.)

Supreme Court No. S-09109

Order

Awarding Costs and Attorney's Fees

Date of Order: 9/20/01

Trial Court Case # 3AN-98-07004CI

On consideration of the cost bill, filed on 8/30/01, and no opposition having been filed by any party,

IT IS ORDERED:

- Appellant shall pay appellee the following allowable costs:

Copies of appellee's brief	\$572.60
Copies of supplemental brief	\$ 48.30
<u>Copies of appellee's excerpt</u>	<u>\$244.50</u>
Total	\$865.40

- The following costs are disallowed:

Copies of appellee's memorandum in opposition to motion for stay of injunction	\$264.00
Appendix of cases in support of appellee's opposition to stay	\$343.20

- At the direction of an individual justice, attorney's fees in the amount of \$67,150.00 are awarded to the appellee.

Clerk of the Appellate Courts

Marilyn May
Marilyn May

JCW
2/17

3-14-01 RECEIVED

MAR 19 2001

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

ATTORNEY GENERAL'S OFFICE
JUNEAU
APPELLATE COURTS OF THE
STATE OF ALASKA

THIRD JUDICIAL DISTRICT

PLANNED PARENTHOOD OF ALASKA,)
 INC., et al.,)
)
 Plaintiffs,)
)
 v.)
)
 KAREN PERDUE, Commissioner, Department)
 of Health and Social Services, et al.,)
)
 Defendants.)

MAR - 6 2001

CLERK

By _____ Deputy

5-9109

1 FEB 21

Case No. 3AN-98-07004

PROPOSED AMENDED JUDGMENT

The Plaintiffs having moved the Court and having been granted by the Court awards of attorneys' fees and costs in the sum of \$109,928.41 on October 19, 1999, and in the sum of \$58,082.35 on January 25, 2001, it is hereby ordered that the Final Judgment be amended to include the prior orders for attorneys' fees and costs totaling \$168,010.76. Post-judgment interest at the statutory rate of 7.5 percent per year shall accrue on the October 19, 1999, award from that date until paid. Post-judgment interest at the statutory rate of 8 percent per year shall accrue on the January 25, 2001, award from that date until paid.

ENTERED this 14 day of March, 2001, at Anchorage, Alaska.

Tan

Sen K. Tan
Superior Court Judge

I certify that on 3-15-01
a copy of the above was mailed to each
of the following at their addresses of
record.

*Schleuss
Kirsch (AAG)*

E. Mulder
Secretary/Deputy Clerk

IDDOCK & SCHLEUSS, P.C.
 ATTORNEYS AT LAW
 100 L STREET, SUITE 300
 ANCHORAGE, ALASKA
 99501-5910
 TEL: (907) 258-7807
 FAX: 278-1158

Section 11

Judgments and Claims

Department of Law

ACLU v State

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

**This form will be used for the purpose of standardizing the submission of claims to the Legislature. Complete and accurate information will expedite payment to the claimants, thereby reducing the amount of interest required to be paid by the state. If any of the information changes, please immediately advise the Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3673.

PART ONE

1. Case Name: *Alaska Civil Liberties Union v. State*
2. Case Number: 3AN-97-05289 CI, S-08967, S-09710
3. Judge/Justices: Michael Wolverton/Alaska Supreme Court
4. Date Judgment entered:
The Superior Court entered judgment for attorney's fees on April 27, 2000.
The Alaska Supreme Court entered its order awarding costs and attorney's fees on August 30, 2001.
5. Did the cause of action accrue on or after August 7, 1997? No.
6. Amount to be paid: \$107,954.28, plus interest.
7. Interest Rate: 10.5% Effective Date: April 27, 2000, for \$101,203.75;
August 30, 2001, for \$6,750.53.
8. Requested hourly rate and total compensation of attorneys to be paid: The ACLU based its requests on hourly rates of \$200, \$175, and \$150. The ACLU requested \$102,866.25 in attorney's fees and \$6,875 in expert fees from the Superior Court, and requested \$6,610 in attorney's fees from the Alaska Supreme Court for the appeal.
9. Court approved/ordered hourly rate and total compensation of attorneys to be paid: Based on hourly rates of \$200, \$175, and \$150, the Superior Court awarded \$101,203.75 in attorney's fees and the Alaska Supreme Court awarded \$6,610 in attorney's fees on appeal.
10. Payable to: Foster Pepper Rubini & Reeves LLC
1007 West Third Avenue, Suite 100
Anchorage, AK 99501

11. EIN: 92-0163530

or SSN:

12. Send check to: _____ above address

Departmental contact: X

Departmental attorney contact:

Departmental Approval:

David T. Jones
Name

Ben Jones
Deputy Attorney General

269-5100
Telephone Number

10/12/01
Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST QUESTIONNAIRE

PART TWO

The following information needs to be provided on all judgment awards and/or settlements made against the State.

Case Name: *Alaska Civil Liberties Union v. State of Alaska*

Case No.: 3AN-97-05289 CI, S-08967, S-09710

1. Describe the circumstances or events resulting in this case and ultimately this judgment/settlement against the State.

The Alaska Civil Liberties Union sued the State of Alaska, asserting that every provision of the 1996 campaign finance reform legislation (Ch. 48 SLA 1996) was invalid because many of the legislation's provisions were unconstitutional. Superior Court Judge Michael Wolverton granted summary judgment to the ACLU, ruling that all of the legislation's provisions were invalid. Because the ACLU was a public-interest litigant, Judge Wolverton awarded the ACLU \$99,703.75 as its full, reasonable attorney's fees and \$6,875 in expert fees.

We appealed the decision to the Alaska Supreme Court. The Alaska Supreme Court reversed nearly all of Judge Wolverton's decision on the merits, holding all but two provisions of the 1996 reform legislation constitutional and valid. The Alaska Supreme Court remanded the case to Judge Wolverton to determine whether the ACLU was still entitled to an award of attorney's fees and expert fees.

On remand, Judge Wolverton concluded that the ACLU was still a prevailing public-interest litigant and awarded the ACLU \$101,203.75 in attorney's fees and no expert fees. We appealed Judge Wolverton's award, asserting that the ACLU was not entitled to any attorney's fee award because it was not the prevailing party. In a memorandum decision, the Alaska Supreme Court upheld Judge Wolverton's fee award. Only Justice Eastaugh dissented from the decision. The Alaska Supreme Court then awarded the ACLU \$6,610 for attorney's fees and \$140.53 for costs incurred in the appeal.

2. Describe issues of State policy or law involved in this case, if they are relevant to and resulted in substantial effort and expense for the department to bring or defend this case.

We defended the constitutionality of the 1996 reform legislation and succeeded in large measure. We unsuccessfully attempted to convince the courts that, in light of the ACLU's very

limited success, the ACLU was not the prevailing party. Consequently, as a public-interest litigant, the ACLU received awards for its full, reasonable attorney's fees incurred in the case.

3. Did the State prevail on any issues? If so, describe.

Yes. The Alaska Supreme Court upheld the constitutionality of

(1) the ban on independent expenditures by non-group entities, to the extent it applies to corporations, labor unions, and other entities meeting the court's three-part test (AS 15.13.135);

(2) the ban on contributions by corporations, labor unions, and other entities meeting the court's three-part test (AS 15.13.074(f));

(3) the limits on contributions by individuals (AS 15.13.070(b)), groups (AS 15.13.070(c)), and political parties (AS 15.13.070(d));

(4) the restrictions on contributions by nonresident individuals and groups (AS 15.13.072(a)(2) and (3), (e), and (f));

(5) the ban on lobbyists' contributions to out-of-district candidates (AS 15.13.074(g));

(6) the restriction on carrying forward contributions (AS 15.13.116); and

(7) the ban on inter-candidate contributions (AS 15.13.112(b)(7)).

The court also held that the unconstitutional provisions of the 1996 reform legislation were severable from the constitutional provisions, allowing the constitutional provisions to remain in effect.

The court left to future legal challenges determination of which specific classes of "non-group" entities besides corporations and labor unions may be permissibly subject to the expenditure and contribution bans set out in AS 15.13.135 and 15.13.074(f).

The court affirmed the superior court's judgment to the extent it held invalid the ban on non-election year contributions (AS 15.13.074(c)(1), (2), and (3)) and the ban on contributions to candidates during the legislative session (AS 15.13.074(c)(2)).

4. Did we challenge plaintiffs' request for costs and fees or in other ways seek to reduce the costs to the State? If so, describe to what extent we were successful.

Yes, we convinced Judge Wolverton not to award expert fees (\$6,875) and to eliminate charges for duplicate hours and hours spent on press releases (\$1,662.50). On appeal, we unsuccessfully challenged Judge Wolverton's conclusion that the ACLU was the prevailing party. We did not challenge the ACLU's request for costs and attorney's fees incurred in the appeal.

5. What was the source of the State's liability in this case?

The State adopted and defended legislation to reform its campaign finance system. The court concluded that two of the legislation's provisions were unconstitutional.

6. What, if any, preventative action has been taken by the involved agency to prevent or reduce the potential for such liability in the future?

We will continue to review proposed and enacted legislation in an attempt to determine whether any provisions are unconstitutional.

7. If the information is available to you, has the agency involved taken any corrective action as a result of this case? If the information is not protected from publication by statute, privilege, or right to privacy, indicate what the corrective action was.

The Alaska Public Offices Commission is not enforcing the provisions that the Alaska Supreme Court ruled unconstitutional.

8. Any recommendations concerning cases of this type in the future?

None other than to continue to review proposed and enacted legislation for constitutional defects.

9. Any recommendations for changes in statutes, regulations or policy? Cite any applicable statutes or regulations.

No.

Attorney completing form:

Date:

David T. Jones
Assistant Attorney General
Title

September 18, 2001
269-5100
Phone Number

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT

STATE OF ALASKA,)
)
 Appellant,)
)
 vs.)
)
 ALASKA CIVIL LIBERTIES UNION,)
)
 Appellee.) Case No. 3AN-97-05289CI
_____)

ORDER GRANTING ATTORNEY'S FEES

Based upon a review of the briefing filed by the parties, and upon a review of the entire record herein, the Court is persuaded that the Alaska Civil Liberties Union (AkCLU) is the prevailing party for Rule 82 purposes. As a prevailing public interest litigant, AkCLU is entitled to an award of its full, reasonable attorneys' fees.

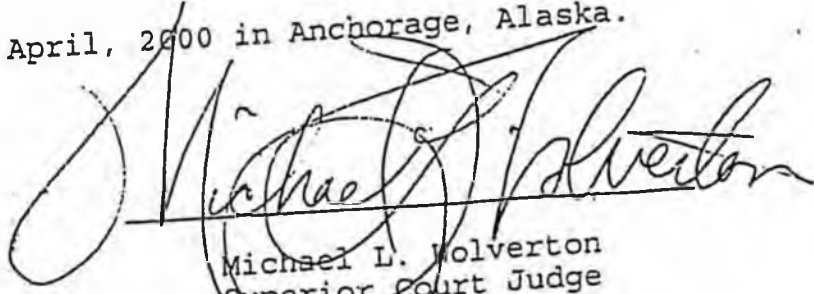
This Court finds that the full reasonable attorneys' fees in this matter amounts to \$101,203.75. The figure of \$101,203.75 was determined by taking the Appellee's request and subtracting the duplicate listing of 5.5 hours of work done by Suzanne LaPierre on 3/30/98, and 3.5 hours for work done by Jonathan Rubini on press releases.

Under Administrative Rule 7(c), expert witness fees are available only for the time spent testifying. Because AkCLU's expert witness did not testify in connection with this case, AkCLU is not entitled to recover expert witness fees. Therefore,

IT IS HEREBY ORDERED that the Appellee Alaska Civil Liberties Union is entitled to attorneys' fees in the amount of

\$101,203.75.

ENTERED this 27th day of April, 2000 in Anchorage, Alaska.


Michael L. Wolverton
Superior Court Judge

I certify that on 5/1/00
a copy of the above was mailed to each
of the following at their addresses of
record:

1- Rubini 1-Jones
Secretary/Deputy Clerk
Caw

RECEIVED

AUG 31 2001

Department of Law
Office of Attorney General
3rd Judicial District
Anchorage, Alaska

In the Supreme Court of the State of Alaska

State of Alaska,)
)
 Appellant(s),)
 v.)
)
 Alaska Civil Liberties Union,)
)
 Appellee(s).)
 _____)

Supreme Court No. S-08967/9710

Order
Attorney's Fees and Costs

Date of Order: 8/30/01

Trial Court Case # 3AN-97-05289CI

On consideration of the unopposed motion for attorney's fees and cost bill, filed on 8/27/01,

IT IS ORDERED:

1. The motion is GRANTED.
2. APPELLANT shall pay APPELLEE \$6,610.00 for attorney's fees and \$140.53 for costs.

Entered by direction of an individual justice.

Clerk of the Appellate Courts

Marilyn May
Marilyn May

Distribution:

David T Jones
Jan Hart DeYoung
Asst Attorney General
1031 West Fourth Ave #200
Anchorage AK 99501

Thomas P. Amodio
Jonathan B. Rubini
Foster Pepper Rubini & Reeves LLC
1007 W. Third Ave. Ste. 100
Anchorage AK 99501

Section 11

Judgments and Claims

Department of Law

CSED v Ragula

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

**This form will be used for the purpose of standardizing the submission of claims to the Legislature. Complete and accurate information will expedite payment to the claimants, thereby reducing the amount of interest required to be paid by the state. If any of the information changes, please immediately advise the Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3673.

PART ONE

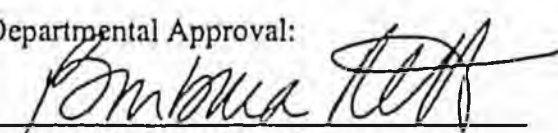
1. Case Name: *Ragula v. State, Dep't of Revenue, Child Support Enforcement Div.*
2. Case Number: Trial Court No. 3AN-97-3966 CI; Supreme Court No. S-09702
3. Judge/Justices: District Court Judge Murphy; Superior Court Judge Reese; none at Supreme Court level.
4. Date Judgment entered: 6/30/00 (superior court) and 9/27/01 (supreme court)
5. Did the date of the cause of action accrue on or after August 7, 1997? Yes
6. Amount to be paid: \$1,185.00 (superior court); \$1,159.08 (supreme court)
7. Interest Rate: 8% & 9% respectively Effective Date: 6/30/00 & 9/27/01
8. Requested hourly rate and total compensation of attorneys to be paid:
Superior court: 20 percent of actual attorneys fees, plus costs of \$85.00 requested (actual fees were \$200 per hour for total of \$5,500)
Supreme court: \$200 per hour for total of \$3,000, plus costs of \$159.08, requested
9. Court approved/ordered hourly rate and total compensation of attorneys to be paid:
In the first award, the court awarded 20% of Ragula's actual fees (\$1,100), plus costs of \$85.00. At the supreme court level, the court awarded \$1,000 and costs of \$159.08.
10. Payable to: Steven D. Smith, P.C.
11. EIN: 92-0104043 or SSN:
12. Send check to: above address Departmental contact: _____

Departmental attorney contact:

Diane Wendlandt
Name

Telephone Number

Departmental Approval:


Deputy Attorney General

12/18/01
Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST
QUESTIONNAIRE

PART TWO

The following information needs to be provided on all judgment awards and/or settlements made against the State.

Case Name: *Ragula v. State, Dep't of Revenue, Child Support Enforcement Div.*

Case No.: Trial Court No. 3AN-97-3966 CI; Supreme Court No. S-09702

1. Describe the circumstances or events resulting in this case and ultimately this judgment/settlement against the State. Thomas Ragula owes child support in a case being enforced by the Alaska Child Support Enforcement Division (CSED). In November 1993, Ragula's home was damaged by a fire allegedly caused by a defective adaptor sold by Sears and manufactured by Sega. Ragula hired attorney Steve Smith to file an action against Sears and Sega. The action was filed in September 1995.

In September 1996, CSED recorded a lien against Ragula's property. In January 1997, CSED issued an administrative withholding order requiring Smith to withhold and deliver to CSED any money or property belonging to Ragula (which would include any proceeds of the Sega/Sears litigation). By then, Ragula owed over \$16,000 in child support arrears.

Ragula's action against Sears and Sega was settled for \$18,500 on May 15, 1997. When Smith received the check, he retained \$9,230.38 for his attorney's fees and costs, and paid the balance into the court registry as part of an interpleader action filed in the Anchorage district court. CSED filed a motion asking the court to order that the settlement funds (after payment of two prior uncontested assignments to unrelated parties), including the amount retained by Smith as fees and costs, be paid to CSED to pay Ragula's child support debt. Extensive briefing was submitted by the parties on the competing priorities of the child support and attorney's liens. Finally, in July 1998, Smith filed a notice of attorney's lien under AS 34.35.430.

On May 27, 1999, Judge Murphy granted CSED's motion, ruling that CSED's lien and withholding order had priority over Smith's claim for attorney's fees both by statute and because Smith had not properly recorded his lien. Smith appealed to the superior court. On April 24, 2000, after additional briefing focusing on the lien priority issues, Judge Reese reversed Judge Murphy's decision. Judge Reese did not address the lien priority issue. Instead, he held that "under a contingency fee agreement, an attorney owns his or her fees and advanced costs in a successful litigation from the date of the contract." Thus, Judge Reese concluded that Smith "had a vested contractual interest in the outcome of Mr. Ragula's litigation with Sega which was effective on the date of contract, contingent only on successful completion of the suit."

CSED filed a petition for hearing with the Alaska Supreme Court pursuant to Appellate Rule 302(b). Because this case had been heard by the superior court on appeal from the district court, review by the supreme court was not a matter of right, but was discretionary only. The court denied CSED's petition for hearing, without stating a reason for the denial.

At the district court level, Smith filed a motion for attorney's fees and costs incurred in the district court proceeding. Smith requested an award of 20% of his actual attorney's fees pursuant to Civil Rule 82(b)(2). Smith stated that his actual fees were \$5,500 (\$200 per hour for 27.5 hours). Thus, he requested an award of \$1,100. In addition, he requested costs of \$85 under Civil Rule 79. We opposed that motion. However, the court granted the motion in full, awarding fees of \$1,100 and costs of \$85.

At the supreme court level, Smith filed a motion requesting an award of \$3,000 in actual attorney's fees, plus costs of \$159.08, incurred in the proceeding before the supreme court. We opposed that motion, arguing that an award of fees after the denial of a petition for hearing is not a matter of right and should not be awarded in this case. In addition, we argued that under Appellate Rule 508(e), an award of fees was intended only to *partially* compensate for attorney's fees. At most, we argued, Smith should be awarded only 20% of his actual fees (by analogy to Civil Rule 82(b)(2)). The court granted Smith's motion for attorney's fees, but refused to award full fees. Instead, the court only awarded Smith \$1,000, plus costs in the amount of \$159.08.

2. Describe issues of State policy or law involved in this case, if they are relevant to and resulted in substantial effort and expense for the department to bring or defend this case. The primary issue addressed by the district court was whether a child support lien and withholding order took priority over an attorney's lien that was not properly perfected under the attorney's lien statute until long after recording and service of the child support lien and withholding order. At the superior court level, the judge framed the issue in terms of an attorney's vested ownership interest in the proceeds of litigation.

These are important issues for CSED. In this particular case, resolution of the competing priorities cost the custodial parent over \$9,000. Moreover, the impact of the decision is not limited to this case. Several times a year, we must resolve a dispute with an attorney over the competing claims to litigation proceeds. Unless the settlement is large enough to cover both the attorney's fees and all other claims, including the child support claim, CSED (and, by extension, the custodial parent and children) walk away with nothing, while the attorney is paid in full.

3. Did the State prevail on any issues? If so, describe. Although CSED prevailed at the district court level, that decision was reversed by the superior court. Because the supreme court declined to accept the petition for hearing, the superior court decision stands. Thus, CSED lost on all substantive issues. However, as discussed in question 1 above, we did prevail to a limited degree on the amount of fees to be awarded.

4. Did we challenge plaintiffs' request for costs and fees or in other ways seek to reduce the costs to the State? If so, describe to what extent we were successful. Yes. See discussion in question 1 above.

5. What was the source of the State's liability in this case? Civil Rules 79 and 82(b) are the sources of the state's liability in this case. Civil Rule 82(b)(2) allows the recovery of a portion of a prevailing party's attorney's fees on appeal, and Civil Rule 79 allows a prevailing party to recover certain costs incurred in the litigation. At the supreme court level Appellate Rule 508 was the source of the state's liability. Appellate Rule 508 allows the recovery of a portion of a prevailing party's attorney's fees on appeal. Because Ragula was the prevailing party on the petition for hearing, the court could award fees to him under Appellate Rule 508.

6. What, if any, preventative action has been taken by the involved agency to prevent or reduce the potential for such liability in the future? CSED does not intend to take preventative action as a result of this decision. We believe the superior court's decision was contrary to Alaska's lien laws and inconsistent with case law in this area. We are currently looking for another case which raises the same legal issues but which can be brought in the superior court, thus an allowing appeal as a matter of right to the Alaska Supreme Court. In this way, CSED hopes to obtain a final determination on these legal issues.

7. If the information is available to you, has the agency involved taken any corrective action as a result of this case? If the information is not protected from publication by statute, privilege, or right to privacy, indicate what the corrective action was. No, as explained in response to question 6, CSED is not taking corrective action as a result of this case. Instead, CSED is waiting for another case that raises the same issues and can be brought before the Alaska Supreme Court through an appeal as of right.

8. Any recommendations concerning cases of this type in the future? As explained in response to question 6, we are recommending that CSED identify an appropriate case which raises the same legal issues and can be brought before the Alaska Supreme Court through an appeal as of right.

9. Any recommendations for changes in statutes, regulations or policy? Cite any applicable statutes or regulations. We believe that the child support and attorney's lien statutes already provide a priority for child support liens and withholding orders, thus no changes in statutes or regulations are recommended at this time.

Attorney completing form:

Date:

Diane L. Wendlandt

11/19/2001

Assistant Attorney General

269-6600

Title

Phone Number

In the Supreme Court of the State of Alaska

RECEIVED
SEP 28 2001

Department of Law
Office of Attorney General
3rd Judicial District
Anchorage, Alaska

State of Alaska, CSED,)
)
) Petitioner(s),)
)
) v.)
)
) Thomas Ragula,)
)
) Respondent(s).)

Supreme Court No. S-09702

Order
Costs and Fees

Date of Order: 9/27/01

Trial Court Case # 3AN-97-03966CI

On consideration of appellee's motion for attorney's fees and cost bill, filed 9/10/01, and the state's opposition to appellee's motion for attorney's fees filed 9/17/01,

IT IS ORDERED:

That attorney's fees of \$1,000 plus costs of \$159.08 are awarded to Thomas Ragula. If the State had properly filed this matter as a petition for hearing, respondent would not have been put to the expense of preparing and printing a formal appellee's brief or preparing a transcript in response.

Entered by direction of individual Justice.

Clerk of the Appellate Courts



Deputy Clerk

Distribution:

Diane L. Wendlandt
Asst Attorney General
1031 West Fourth Avenue #200
Anchorage AK 99501

Steven D Smith
Law Offices of Steven D Smith
1029 West Third Avenue #250
Anchorage AK 99501

IN THE DISTRICT COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

THOMAS RAGULA by STEVEN D. SMITH,)
P.C. as Trustee,)
)
Plaintiff,)
)
vs.)
)
THOMAS, HEAD & GRIESEN, CPA'S and)
STATE OF ALASKA DEPARTMENT OF)
REVENUE, CSED,)
)
Defendants.)

Case No. 3AN-97-3966 CI

ORDER

The plaintiff having been found to be the prevailing party in the above-entitled action,

IT IS ORDERED that the plaintiff is awarded \$ 1,100.00 in attorney's fees and \$ 85.00 in costs against the defendant, State of Alaska, Department of Revenue, Child Support Enforcement Division.

6/30/08

[Signature]
Judge of the District Court

I certify that a true & correct copy of the foregoing was mailed/hand delivered/faxed to:

Terisia Chleborad
Attorney General's Office
1031 W. 4th Avenue, Ste. 200
Anchorage, AK 99501

Richard Crabtree
Routh & Crabtree
3510 Spenard Rd., Ste. 200
Anchorage, AK 99503

Ron Greisen
Thomas, Head & Greisen
1400 West Benson
Anchorage, AK 99503
on the 11th day of May, 2000.

By: [Signature]

I certify that on 7/3/00
a copy of the above was mailed to each
of the following at their addresses of
record: [Signature]
Secretary

Smith
Chleborad
Crabtree
Greisen

MAY 11 1 2000

Law Offices of
Steven D. Smith, P.C.
1029 West Third Avenue, Suite 250
Anchorage, Alaska 99501
Phone: (907) 276-2197/fax: (907) 258-3804
Ak. Only: 800-478-5345

Section 11

Judgments and Claims

Department of Law

Brooker v Brooker

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

**This form will be used for the purpose of standardizing the submission of claims to the Legislature. Complete and accurate information will expedite payment to the claimants, thereby reducing the amount of interest required to be paid by the state. If any of the information changes, please immediately advise the Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3673.

PART ONE

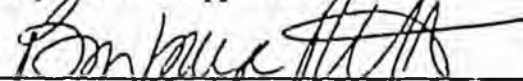
1. Case Name: *Kathleen Brooker v. Ronald Brooker*
2. Case Number: 3AN-94-4278 Civil
3. Judge/Justices: Superior Court Judge Eric T. Sanders
4. Date Judgment entered: October 30, 2001
5. Did the date of the cause of action accrue on or after August 7, 1997? Yes
6. Amount to be paid: \$525.00
7. Interest Rate: 9% Effective Date: October 30, 2001
8. Requested hourly rate and total compensation of attorneys to be paid: The attorney requested an hourly rate of \$150 for total actual fees of \$2,625.
9. Court approved/ordered hourly rate and total compensation of attorneys to be paid: The court awarded the attorney 20% of his actual fees (\$2,625), for a total award of \$525, pursuant to the fee schedule of Civil Rule 82(b)(2).
10. Payable to: Michael Gershel, Esq.
11. EIN: 91-1854753 ^(kad) or SSN:
12. Send check to: above address Departmental contact: _____

Departmental attorney contact:

Diane Wendlandt
Name

(907) 269-5228
Telephone Number

Departmental Approval:


Deputy Attorney General

12/4/01
Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST
QUESTIONNAIRE

PART TWO

The following information needs to be provided on all judgment awards and/or settlements made against the State.

Case Name: *Kathleen Brooker v. Ronald Brooker*

Case No.: 3AN-94-4278 Civil

1. Describe the circumstances or events resulting in this case and ultimately this judgment/settlement against the State. This case was sent to our office by CSED to file a motion to modify the Brookers' child support order. The Brookers have shared physical custody of their two children. On July 31, 2000, after lengthy litigation in which each party was represented by private counsel, the court issued an interim support order requiring Ronald Brooker to pay child support of \$33.48 per month. That amount was incorporated into a final order, based on the agreement of the parties, on June 26, 2001. Unfortunately, a copy of that final order was not sent to CSED.

In the meantime, in May 2001, Kathleen Brooker asked CSED to review the interim order for possible modification. CSED completed its review and determined that Mr. Brooker should pay approximately \$475 per month based on the child support guidelines of Civil Rule 90.3(b). The file was then forwarded to the Department of Law to file a motion for prospective modification.

In reviewing the file, the assistant attorney general assigned to the case determined that the interim order was based on erroneous or fraudulent information submitted by Mr. Brooker. Therefore, instead of filing a motion to prospectively modify the support order, the assistant attorney general filed a motion to vacate the interim order under Civil Rule 60(b). (Because this office was unaware of the June 2001 order, the motion focused on the earlier interim order from July 2000.) Mr. Brooker filed an opposition, pointing out a number of significant problems with the motion, including the fact that the support amount was resolved by agreement of the parties (both of whom were represented by counsel) in June 2001. Mr. Brooker argued that it was inappropriate for CSED to seek relief from an order issued in an action between private parties, each of whom was adequately represented by counsel and had full access to all income information needed to reach an informed decision.