

SB

61

HFIN

FILE

SARAH PALIN
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

January 17, 2007

The Honorable Lyda Green
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Green:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making appropriations for qualified regional seafood development associations; for investigation and litigation relating to the public employees' retirement system and the teachers' retirement system; and for a special advisory election.

This early supplemental appropriation is comprised of items that require timely approval by the Legislature. Other supplemental requests are currently being reviewed by my Office of Management and Budget, and will be submitted to the Legislature in a separate appropriation bill at a later date.

Section 1 of the bill would appropriate the amount of the seafood development tax collected under AS 43.76.350 - 43.76.399 in calendar year 2005 and deposited in the general fund under AS 43.76.380(d) to the Department of Commerce, Community, and Economic Development to provide financial assistance in Fiscal Year 2007 to qualified regional seafood development associations.

Section 2 of the bill would appropriate a total of \$12,000,000, of which about 69 percent would come from the public employees' retirement system fund and about 31 percent from the teachers' retirement system fund, for use in an investigation and proposed litigation related to actuarial services received by the State of Alaska. The investigation would conclude in Fiscal Year 2007, and the proposed litigation is contemplated to commence later in that fiscal year. The amount of the appropriations is the estimated costs to complete the investigation and take the case from inception through trial. The final actual costs may be more or less. Through the budget process, and on request, the Department of Law would provide reports regarding the status of the litigation and the expenditures from the appropriations.

COMMITTEE COPY

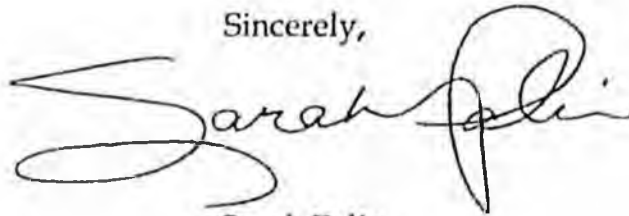
The Honorable Lyda Green
January 17, 2007
Page 2

The appropriations in sec. 2 of the bill would be entirely financed by a recent litigation settlement benefiting the public employees' retirement system fund and the teachers' retirement system fund. The Alaska Retirement Management Board recently settled its claim against Time Warner for securities fraud -- the proceeds for those funds from that litigation totaled \$15,600,000. The Alaska Retirement Management Board supports using \$12,000,000 of those proceeds to finance the investigation and proposed litigation for which the appropriations in this bill would be used.

Section 3 of the bill would appropriate \$1,156,300 from the general fund to the Office of the Governor, division of elections, for the costs associated with the April 3, 2007, special advisory election required by ch. 1, FSSLA 2006, on the subject of employment benefits for same-sex partners of public employees and retirees.

Because these items need Legislative approval in a timely manner, I urge your prompt and favorable action on this measure as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Palin". The signature is fluid and cursive, with a large initial "S" and a distinct "P" at the end.

Sarah Palin
Governor

**FY2007 FAST TRACK
SUPPLEMENTAL REQUESTS**

					Governor's Request					Senate Finance Committee					
Leg Sec / Lang	Sec. No.	Amd. Date	Amd. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Total Funds	Fund Source	General Funds	Federal Funds	Other Funds	Total Funds
Lang	7(b)			Transportation	Capital - Airport Improvement Program Allocation	Amend FY07 Project - Kenai/Kan Snow Removal Equipment/Sand/Urea Building Construction - Project includes constructing a new snow removal equipment, sand and chemical mixing and storage building to house all of the airport's emergency response and snow removal equipment. Project is ready to bid as soon as funding is available.		2,000.0		2,000.0			2,000.0		2,000.0
Lang	7(c)			Transportation	Capital - Surface Transportation Program Appropriation	The Surface Transportation Program appropriation increases by \$18,300.0 from \$37,095.2 to \$55,395.2 because of the allocation changes below.				0.0					0.0
Lang	7(d)			Transportation	Capital - Surface Transportation Program Allocation	New Anchorage Eagle River Road Rehabilitation - Milepost 5.3 to 12.6 - Project includes widening shoulders, improving visibility, and repaving. The department plans to advertise as soon as funding is available.		1,750.0		1,750.0			1,750.0		1,750.0
Lang	7(d)			Transportation	Capital - Surface Transportation Program Allocation	Amend Anchorage Eagle River Loop Road Reconstruction - Old Glenn Highway to Eagle River Road - Project includes reconstructing shoulders, turn lanes, pedestrian facilities, lighting and landscaping. The department plans to advertise in March.		2,000.0		2,000.0			2,000.0		2,000.0
Lang	7(e)			Transportation	Capital - Surface Transportation Program Allocation	New Anchorage Potter Marsh Trailhead and Access Improvements - Project includes enhancing parking lot, provide new boardwalk connections, and connect the Bird Treatment Learning Center on the Old Seward Highway to the existing boardwalk. The department plans to advertise in March.		550.0		550.0			550.0		550.0
Lang	7(f)			Transportation	Capital - Surface Transportation Program Allocation	New Unalaska South Channel Bridge Construction - Project includes replacing existing bridge with a concrete deck bridge. Increased funding required as low bid was greater than existing legislative authority for project.		14,000.0		14,000.0			14,000.0		14,000.0
Lang	7(g)			Transportation	Capital - Department of Transportation	Amend the appropriation to expand the scope: Chitina Personal Law Dip Net Fishery Access and Land Management [ARRA] (H07-11)				0.0					0.0
Lang	8		Amended Governor by ES GOV A (reduced by \$381.3)	Elections	Elections	Funding for the costs associated with the April 3, 2007, special advisory election required by ch. 1, SSFA 2006, on the subject of employment benefits for same-sex partners of public employees and retirees.	775.0			775.0		775.0			775.0
	9			Legislature	Legislative Council	Reappropriation, not to exceed \$60,000.0 of the appropriation made in sec. 58(a), ch. 82, SFA 2006, page 167 (Legislative Budget and Audit Committee committee expenses) is reappropriated to the Legislative Council for special session expenses for the fiscal year ending June 30, 2007.									0.0
	10			Lapse Provisions	Lapse Provisions										0.0
	11			Effective Date	Effective Date										0.0
	12			Effective Date	Effective Date										0.0
Senate FAST TRACK Supplemental Bill Total							10,793.6	21,482.5	4,165.0	29,511.1	6,500.0	1,011,131.9	21,482.5	4,765.4	1,017,361.9
Governor's Amendments															
Lang	7(d)(b)	2/16/07	ES Law A Law	Civil Division, Labor and State Affairs	Civil Division, Labor and State Affairs	Revise the funding split in sec. 2 to be in accordance with the Division of Retirement and Benefits' cost allocation plan and thus reflect 22% FRS (an increase of \$400.0 from \$8,271.0 to \$8,671.0) and 28% TRS (a decrease of \$600.0 from \$3,720.0 to \$3,120.0).				0.0	3400.0 FRS 360.0 TRS				0.0
Lang	8	2/16/07	ES Law B Law	Civil Division, Labor and State Affairs	Civil Division, Labor and State Affairs	Change the effective date in sec. 8 from February 16, 2007 to October 1, 2006 in order that Law may pay outstanding investigation invoices for services rendered in October 2006.				0.0					0.0
Lang	9	3/30/07	ES Law C Law	Civil Division, Labor and State Affairs	Civil Division, Labor and State Affairs	Move the funding in sec. 2 pertaining to litigation to the regular supplemental bill and reduce the amount to \$0.0 M. The remaining \$415,429.1 FRS and \$416.4 TRS (the additional costs of the investigation and reflects the 72%-28% split between retirement plans) investigation costs are made retroactive to October 1, 2006.			(11,583.0)	(11,583.0)	8,349.0 FRS 2,241.0 TRS				
Lang	10	10/10/07	ES GOV A Governor	Elections	Elections	Sec. 4 Lapse of Appropriations is deleted. The amount for the special advisory election may be reduced by \$1.0 M from \$1.0 M to \$0.0 M as costs were lower than anticipated.	(1.0 M)								