

SB 82/

SB 83

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EDUCATION

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DEVELOPMENT

Change Record Detail With Description
Department of Education and Early Development

Scenario: FY2007 Supplemental - Governor (5770)
 Component: School Finance & Facilities (2737)
 RDU: Education Support Services (400)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Lawsuit - Moore vs. State												
	Suppl	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	100.0											
Supplemental funding of \$100.0 general fund receipts is requested to cover legal and expert services due to the Moore vs. State lawsuit. The lawsuit pertains to adequate funding levels for school districts, and these costs are related to services already provided for trial work.												
Totals		100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0

Sec. 4(a)

Change Record Detail With Description
Department of Education and Early Development

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Mt. Edgecumbe Boarding School (1060)
 RDU: Mt. Edgecumbe Boarding School (64)

Scenario/ Change Record	Trans Title Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Teachers Education Association of Mt. Edgecumbe Arbitration Award												
	Suppl	107.9	107.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	107.9											
<p>This is a one-time payment for an arbitration award issued on March 4, 2005. The arbitrator interpreted the Teachers Education Association of Mt. Edgecumbe (TEAME) bargaining unit agreement in a manner that was neither anticipated nor consistent with the monetary terms previously reported to the legislature. With the issue resolved, Mt. Edgecumbe currently is paying the correct amount. However, these monies are owed to those who were on payroll at the time of the complaint.</p>												
Totals		107.9	107.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

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Summary of Activity
TEAME V. State 05-T-108

March 4, 2005 an arbitration award was issued by Arbitrator Howell Lankford, in this award the Arbitrator interpreted the Teachers Education Association of Mount Edgecombe (TEAME) contract in a manner that was neither anticipated nor consistent with the monetary terms previously reported to the Legislature.

As a result, the Department of Administration submitted the increased monetary terms to the legislature and the Office of Management and Budget in May 2005. No action was taken to approve these terms requiring appropriation. (See attached packet)

July 18, 2005 the National Education Association representing the Teachers filed a petition to enforce the Arbitrators award with the Alaska Labor Relations Agency (ALRA) claiming that the State did not request funding from the legislature in a timely manner.

February 13, 2006 the ALRA issued Decision and Order No. 277 dismissing and denying the petition. There has been no further action taken on this case since the issuance of D&O 277. It was not resubmitted to the Legislature nor has payment been made to date.

I was notified on December 14, 2006 by Jan DeYoung, Assistant Attorney General at Department of Law that NEA had retained counsel to seek payment of this award. The Department of Law's recommendation is to resubmit the award for legislative approval. Failure to make reasonable efforts to obtain funding from the legislature could be construed as bad faith or an unfair labor practice under AS 23.40.110 (a). It is DOL's opinion that the union recourse would likely be an enforcement action in superior court.

Please let me know if you have questions.
Dianne Kiesel 465-4429

1/24/07 DKiesel

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**ALASKA LABOR RELATIONS AGENCY
3301 EAGLE STREET, SUITE 208
ANCHORAGE, ALASKA 99510-7026
(907) 269-4895
Fax (907) 269-4898**

TEACHERS EDUCATION ASSOCIATION)
MOUNT EDGEcombe,)
NEA-ALASKA, NEA,)
Complainant,)
vs.)
STATE OF ALASKA)
Respondent.)

CASE NO. 05-1398-CBA

RESPONDENT'S RESPONSE TO PETITION TO ENFORCE CONTRACT

- 1) Respondent admits that the Petitioner (hereinafter TEAME) is an employee organization within the meaning of AS 23.40.250 (5).
- 2) Respondent admits that it is a public employer within the meaning of AS 23.40.250 (7).
- 3) Respondent admits that the bargaining unit in question is Teachers Education Association of Mount Edgecumbe (TEAME).
- 4) Respondent denies that date of certification of the unit was 1992. Respondent submits that the parties mutually agreed to recognition in 1994.
- 5) Respondent admits that the expiration of the current agreement is June 30, 2006.
- 6) Respondent admits that the collective bargaining agreement Article 5 Section 5 states in part, "... Should either party fail or refuse to abide by the decision of the arbitrator, the prevailing party shall be free to take whatever action it deems necessary, and such action will not be considered in violation of this agreement." The Respondent also submits that Article 5 Section 5 further states, "...The arbitrator shall have no authority to rule contrary to, to amend, add to, subtract from, or

eliminate any terms of this agreement. The arbitrator shall have the power to return a grievant to employee status with or without restoration of back pay, or mitigate the penalty as equity suggests under the facts."

- 7) Respondent admits that the parties engaged in an arbitration hearing on January 31, 2005 and that an award was issued on March 4, 2005.

Respondent denies that it was untimely in its submission to the Legislature. The respondent believes that Arbitrator exceeded his authority when he awarded the teachers pay for time within the "work day" for which they were already receiving compensation, further there were no contractual provisions for the pay ordered by the Arbitrator. Based on the Respondents position, the award required review from the Department of Law and ultimately on March 23, 2005 the Respondent filed a Motion to Reconsider. The Respondent received the denial of Motion to Reconsider on April 21, 2005.

Respondent denies that the Complainant has not been advised of the status of the pending obligation. On April 29, 2005 the Respondent communicated to the complainant, by email " *We are working on the calculations since the contract only addresses per diem in a daily formula*". The totality of the sum had to be determined prior to submission for legislative approval. On May 3, 2005 the monetary terms were submitted to the legislature for approval. On May 6, 2005 the Respondent forwarded to the Complainant, in its entirety, the packet that was submitted to the Legislature.

Respondent denies speaking with Willie Anderson on July 13, 2005. However, admits advising Mr. Anderson on July 14, 2005 that the information was submitted to the Legislature and that it had not been advised of any action taken.

The respondent adamantly denies that it has made any attempt to "block" the honoring of the arbitrators award.

Respondent asserts the following defenses:

The March 4, 2005 arbitration award interpreted the TEAME contract in a manner that was neither anticipated nor consistent with the monetary terms previously reported to the legislature. The Respondent had interpreted the language to mean that the teachers would be afforded preparation time, within the contractual eight (8) hour day, equivalent to a class period.

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The cost resulting from the award was \$107,865.28. In accordance with the Alaska Labor Relations pamphlet no. 900, Sec. 23.40.215 and Sec. 23.40.250 (4) the arbitrator's award was submitted to the Legislature in a timely manner.

The Respondent has no authority to compel the Legislature to respond to supplemental amendments in a specified period of time.

For the forgoing reasons, Respondent requests that this petition be denied.

Respectfully submitted on behalf of the State of Alaska on this 22nd day of July, 2005:

ARTHUR CHANCE
DIRECTOR

By: Dianne Kiesel
Dianne K. Kiesel
Labor Relations Analyst
Department of Administration
P.O. Box 110220
Juneau, Alaska 99811-0220
(907) 465-4404

I hereby certify that on this 22nd day of July 2005 a true and correct copy of this document was faxed and mailed to ALRA and TEAME.

Junita Rauch
Junita Rauch

STATE OF ALASKA

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FRANK H. MURKOWSKI, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF LABOR RELATIONS

P.O. BOX 110220
JUNEAU, ALASKA 99811-0220
PHONE: (907) 465-4404
FAX: (907) 465-2269

May 6, 2005

Willie E. Anderson
UniServ Director NEA- Alaska
114 Second ST
Juneau, AK 99801

Dear Mr. Anderson,

Re: Arbitration Award from Howell Lankford

Enclosed is the packet that was submitted for legislative approval in regard to the above arbitration award. NEA will be notified once legislative action is taken.

Sincerely,



Art Chance
Director

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

Sec. 4(b)
FRANK H. MURKOWSKI, GOVERNOR

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

May 4, 2005

The Honorable Lyda Green
The Honorable Gary Wilken
The Honorable Mike Chenault
The Honorable Kevin Meyer
Alaska State Legislature
State Capitol
Juneau, AK 99801

Dear Finance Committee Co-Chairs:

Please consider the following late-breaking supplemental amendment:

Amend the Dept. of Education and Early Dev. section by adding a new subsection to read:

() The sum of \$107,865.28 is appropriated from the DEED CIP fund equity account to the Department of Education and Early Development, Mt. Edgecumbe boarding school, for increased operating costs resulting from a recent arbitrator's decision regarding Teachers Education Association Mt. Edgecumbe (TEAME) compensation that reinterpreted the monetary terms previously reported to, and approved by, the legislature, for the fiscal year ending June 30, 2005.

(needs a retroactive effective date of July 1, 2004)

Back-up information on the amendment is attached along with an updated spreadsheet with the new amendment in bold. If you have any questions, please call me (465-4660) or Joan Brown (465-4681).

Sincerely,

Joan Brown
for Cheryl Frasca
Director

cc: David Teal
Legislative Finance

STATE OF ALASKA

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FRANK H. MURKOWSKI, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF LABOR RELATIONS

P.O. BOX 110220
JUNEAU, ALASKA 99811-0220
PHONE: (907) 465-4404
FAX: (907) 465-2269

May 2, 2005

The Honorable Ben Stevens
Alaska State Senate
Senate President
State Capitol
Juneau, Alaska 99801-1182

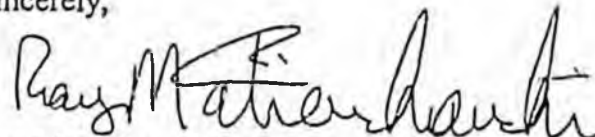
Re: Increase to monetary terms of the July 1, 2004- June 30, 2006 Bargaining Agreement between the State and the Teachers Education Association Mt. Edgecombe (TEAME) due to recent Arbitration Award

Dear Senator Stevens:

In a recent arbitration award issued on March 4, 2005 by Arbitrator Howell Lankford he interpreted the TEAME contract in a manner that was neither anticipated nor consistent with the monetary terms previously reported to the legislature. The State had and has interpreted the language to mean that the teachers would be afforded preparation time, within the contractual eight (8) hour day, equivalent to a class period.

Pursuant to AS 23.40 215 this award constitutes a monetary term and must be approved by the legislature. Attached please find the documentation sent to Office of Management & Budget, the request for an appropriation will be submitted separately.

Sincerely,



Ray Matiashowski
Commissioner

Enclosure

Memorandum

Department of Administration
Office of the Commissioner

Sec. 4(b)

To: Cheryl Frasca, Director
Office of Management & Budget

Date: May 3, 2005

From: Ray Matiashowski
Commissioner

Phone: 465-5671

Ray Matiashowski

Subject: Increase to monetary terms of the July 1, 2004- June 30, 2006 Bargaining Agreement between the State and the Teachers Education Association Mt. Edgecombe (TEAME) due to recent Arbitration Award.

Terms Requiring Appropriation.

I. Change in Productive Work Hours.

In a recent arbitration award issued on March 4, 2005 by Arbitrator Howell Lankford (attached) he interpreted the TEAME contract in a manner that was neither anticipated nor consistent with the monetary terms previously reported to the legislature. The State had and has interpreted the language to mean that the teachers would be afforded preparation time, within the contractual eight (8) hour day, equivalent to a class period.

The arbitrator ruled that the preparation time must fall within the student contact day and that the teachers be made whole at the usual per diem rate for the additional class they taught as a result of that contract violation. The teachers at Mt. Edgecombe High School (MEHS) currently teach four (4) eighty-minute classes with an eighty-minute preparation period from 8:00 a.m. to 9:20 a.m. and eighty minutes of free time or passing time.

The usual per diem rate in the collective bargaining agreement is calculated at 1/188 of the contracted annual salary hereby developing a daily pay rate (the teachers contract is for 188 days, however the pay is spread out for a 12 month period). The agreement does not provide for any other calculation that could be interpreted to allow for additional daily pay to subsidize the standard eight (8) hour workday. The Teachers did not perform duties outside the eight (8) hour workday.

In effort to calculate a monetary value the daily rate has been broken down in to an amount per minute and multiplied by the 65 minutes of teaching that is in addition to last year, but not outside the contractual eight (8) hour day (see attached spreadsheet).

Since the collective bargaining agreement only provides for daily per diem, one must reduce the daily rate to an amount per minute. The Teachers taught three (3) eighty-five minutes classes last year and are teaching four (4) eighty minute classes this school year, an additional sixty-five (65) minutes. Please see the attached spreadsheet for the estimated increase of monetary terms.

Pursuant to AS 23.40 215 this award constitutes a monetary term and must be approved by the legislature. Please prepare the necessary appropriation request for submission.

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cc: Roger Sampson, Commissioner,
Department of Education and Early Development

Karen Rehfeld, Deputy Commissioner,
Department of Education and Early Development

Eric Swanson, Administrative Services Director,
Department of Administration

Kim Garner, Director Division of Finance,
Department of Administration

Art Chance, Director, Division of Labor Relations,
Department of Administration

Mila Cosgrove, Director, Division of Personnel,
Department of Administration

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Official Business

Alaska State Legislature

Senate

Office of the Secretary

State Capitol, Room 213
Juneau, Alaska 99801-1184
Phone: (907) 465-3701
Fax: (907) 465-2832
Email: senate_secretary@legis.state.ak.us

MEMORANDUM

TO: Senator Green, Cochair
Senator Wilken, Cochair
Senate Finance Committee

FROM: Kirsten Waid *KW*
Secretary of the Senate

SUBJECT: Referral of Monetary Terms Agreement

Date: May 5, 2005

In accordance with AS 23.40.215, President Stevens has referred the following report to your committee:

Monetary terms for the collective bargaining agreement reached with the Teachers Education Association of Mt. Edgecumbe

KW/jcs
Attachments

Sec. 4(b.)

In the Matter of the Arbitration

between Teachers' Education Association of Mt.
Edgecombe ("Association")

and

State of Alaska, Mt. Edgecumbe High School ("School").

Findings,
Discussion and
Award.

Case Numbers:	Arbitrator's case No. FB6.
Representing the Association:	Willie Anderson, UniServ Director, NEA-Alaska, 114 Second Street, Juneau, AK 99801.
Representing the Company:	Dianne Kiesel, Labor Relations Analyst, Division of Labor Relations, State of Alaska, Dept. Of Administration, P.O. Box 110201, Juneau, AK 99811-0211.
Arbitrator:	Howell L. Lankford, Esq., P.O. Box 22331, Milwaukie, OR 97269-0331.
Hearing held:	In the Employer's facilities in Sitka, Alaska on January 31, 2005.
Witnesses for the Association:	Lu Seapy and Kathleen McCrossin.
Witnesses for the Company:	Kari Brookover, Wilhelm Denkinger, and Penny Beiler.
Post-hearing argument received:	February 28, 2005 (by e-mail), both timely mailed on that date.
Date of this award:	March 4, 2005.

This is a dispute over contract interpretation. The Employer made substantial changes in the class schedule—and, particularly, in the schedule of prep time—for the 2004-2005 school year, and the Association grieved. The parties stipulate that the exact issue presented in arbitration is:

Did the Employer violate Articles 1, 7, or 9 of the collective bargaining agreement, or its definitions, when it mandated the schedule for SY 2004-2005, and, if so, what is the appropriate remedy?

There are no preliminary issues of substantive or procedural arbitrability; and the parties agree that the burden is on the Association to show, more likely than not, that the Employer violated the collective bargaining agreement as alleged. The hearing was orderly. Both parties had the opportunity to present evidence, to call and to cross-examine witnesses, and to argue the case.

FACTS

The facts are neither complex nor contested. Mt Edgecombe High School is a State-run, residential school for grades nine through twelve located in Sitka, Alaska. The facility has grown quite substantially in recent years and now houses about 375 students. The teaching staff is about 17 (with a residential and support staff of about 40). Those 2004-2005 numbers represent a growth of about 30 in the student population over 2003-2004, with essentially no increase in teaching staff.

There is no dispute that the State mandated an increase of nearly 10% in the size of the student body for SY 2004-2005 but provided no increase in the school's budget to cover that increase. The dispute at issue here arises from one part of the School's attempt to deal with that increased student body without any increase in operating funds.

In previous years, the teachers' class schedule has always provided each teacher with one student class period of prep time. In recent years, the student day has been divided into four periods with a 50 minute lunch period. That pattern has shown some variation—in 1994-1995, for example, there were seven periods—but inevitably, as far back as the record extends, whether there were four class periods or seven, each teacher has been assigned one of the class periods as his or her prep period. The "Preparation Time" language of the contract (Article 7, Teacher Rights, Section 7) provides: "Each teacher . . . shall have, in addition to his/her meal period, one full class period daily [of] preparation time during which the teacher shall not be assigned to any other duties."

Late in SY 2003-2004, the State advised the School that the School would have to increase its student body for the coming school year by about 30 students. It was not

immediately clear whether there would be any increase in funding to go along with that almost 10% increase in size, but the Superintendent feared the worst. Because the High School is residential, an increase in the student body automatically brings increases in housing, food, and supervision costs.¹ The Superintendent was determined to find some way to avoid a substantial increase in average class size in the face of the coming increase in student population without, probably, any increase in teaching staff budget.

There were already ongoing discussions of class schedule problems even before the ominous prospect of an unfunded increase in student population appeared on the horizon. The SY 2003-2004 schedule was a variation of the A/B-block pattern with the same number class period being, e.g., English and some form of social studies on alternating days.² Some subjects were offered *every* day, with no A/B variation. The teachers were dissatisfied with that pattern for a variety of reasons, and the School had established an Academic Steering Committee to explore possible alternatives. The Academic Principal attended the first meeting of that Committee, but she found that the teachers were unwilling to even consider scheduling their prep time all together and apart from the student contact day; and she attended no further meetings of the Committee.

Despite the undisputed fact that the teachers made it pretty clear, in a variety of ways, that they would not accept a schedule revision separating their prep time from the student contact day, the Superintendent decided that the only way to maintain the average class size from SY 2003-2004 was to assign each teacher to an additional class period and move every teacher's prep time to the "period" from 8:00 to 9:20 a.m., before the beginning of classes. The Superintendent informed the Association of the coming change sometime around the end of the 2003-2004 school year (although the teachers were not individually informed of their forthcoming schedules until quite late in August, 2004). The Association grieved the new schedule.

1. It also increases transportation costs substantially because admission to the High School includes State-paid transportation to and from school.

2. One of the subjects ran Monday and Wednesday and the other ran Tuesday and Thursday, with alternating Fridays. Some schools achieve the same division by simply alternating classes A, B, A, B, A, B... week after week.

DISCUSSION

The goal in resolving contract interpretation disputes is always the same, to determine what the parties should have understood their deal to be. There are three usual sources of evidence in that search: the language of the written contract itself, the bargaining history of that language (e.g., how did the parties explain it to one another in negotiations), and the parties' actions in the past in situations where their understanding of the disputed language would have made a difference in those actions. The first of those three—the language of the written agreement itself—has more than mere pride of place: a majority of American labor arbitrators continue to honor the “clear language” rule:

If the language of an agreement is clear and unequivocal, an arbitrator generally will not give it a meaning other than that expressed. As Arbitrator Fred Witney has stated, an arbitrator cannot “ignore clear-cut contractual language,” and he “may not legislate new language, since to do so would usurp the role of the labor organization and employer.” Even though the parties to an agreement disagree as to its meaning, an arbitrator who finds the language to be unambiguous will enforce the clear meaning. Elkouri & Elkouri, *How Arbitration Works*, (IV ed., BNA) at 348-349.³

In this case, both parties argue that the language of Article 7, Section 7 is pretty clear: “Each teacher . . . shall have, in addition to his/her meal period, *one full class period* daily [of] preparation time during which the teacher shall not be assigned to any other duties.” Interestingly, the Academic Principal's recounting of that language from memory at hearing was slightly different: “I have to give them prep time equal to a class period.” The School's post-hearing brief offers that same approximation as the basis of its “clear language” argument; so that difference between the Principal's recollection and the actual contract language accurately expresses the heart of this dispute.

That difference also compels the result in this arbitration: what the contract actually says is *not* “time equal to a class period;” what the contract actually says is “one full class period.” That difference is not trivial. If a teacher has a right to one actual class period as prep time, then that teacher *cannot* be assigned to *teach* every single class

3. The fifth edition of *Elkouri* (at 434-439) offers a far more technical and critical (and perhaps less illuminating) discussion of the “plain meaning rule” (which the 5th Edition admits is “still dominant”). The case at hand illustrates just how questionable Farnsworth's observation is (§ 7.8, quoted by the Fifth Edition at 437) that “It is a rare contract that needs no interpretation.” On the contrary, most contracts, in most respects, need no outside interpretation most of the time. Otherwise, the whole idea of entering into contracts would never have caught on in the first place. Even when, rarely, a disagreement over interpretation drives the parties to arbitration, what arbitrators end up saying more often than not, I submit, amounts to “read just exactly what the contract says, and do that.”

period. Of course, that was exactly the Superintendent's primary motivation for the change: with prep time "equal to" a class period, but not scheduled during the student contact day, every teacher ended up teaching one additional class period every day. The time before the students' day begins, which is now designated as prep time, was always part of the teachers' workday and was generally used for preparation for the upcoming class day. Thus the change from the contract's "one full class period" to the School's interpretation, "*equal to a class period*," resulted in less out-of-class time to prepare for a third more in-class time. The difference between what the contract actually says and what it would have to say in order to support the High School's interpretation is clearly substantial.⁴

Even if the contract language were not clear by itself, none of the other traditional sorts of evidence in the record provides any support for the School. There is no evidence at all of the actual bargaining history behind this particular language. But when we consider the past actions of the parties, as far as the record shows, until the 2004-2005 school year, the School has always scheduled its teachers to have "one full *class period*" of daily prep time. That record is consistent with the Association's interpretation and does nothing to support the School's.

If we look further, past the three traditional sources of evidence in contract interpretation disputes, the School's situation only gets worse. In terms of common practice in the industry and the usual bargaining dynamics behind such language, it would be difficult to imagine a teachers' union that did not bargain hard for contract language assuring bargaining unit members of prep time *during the student contact day*. In my experience, most teacher collective bargaining agreements include such language; and teachers' unions have been vigilant in defending such language through contract arbitration.⁵ The reason for that vigilance is obvious: apart from simple considerations of workload, the guarantee of one class period as prep time—i.e. of prep time during the student contact day—means that most of the teachers in the bargaining unit will get a break from constant student contact sometime during the course of the day. (Even the teachers assigned to prep in the first or last class periods of the day at least face a consecutive student contact period which is reduced by the time of that one class period.)

4. The School points to an unfortunate arithmetic inconsistency between the contract's definitions of "academic school day" and "standard work day." Those provisions apparently somewhat befuddled the parties' discussions; but none of those provisions is inconsistent with the clear language of Article 7, Section 7, which addresses prep time.

5. Throughout the Northwest, teachers' unions have also been generally successful—through the ULP process—in preventing school districts from moving prep time to outside the student contact day without bargaining.

Teaching straight through the day without a break from student contact is, in the opinion of very many teachers, quite unacceptable.⁶ When this consideration is added to the arithmetic consequences of removing prep time from the student contact day—i.e. one class period more work for no increase in pay—it can be no surprise that teachers always fight hard for exactly the language that is in this prep time provision and fight hard against the misinterpretation of that language offered by the School in this case.⁷

There is a subsidiary issue in this case: the parties disagree about the interpretation of part of the contract's arbitration provision: "The cost of the services for the arbitrator, and his/her travel and subsistence . . . will be borne as designated by the arbitrator." That sentence is composed of *part* of the language usually found in a "loser pays" provision: That usual language is ". . . will be borne by the losing party as designated by the arbitrator." The School proposes to interpret the provision as "loser pays" language. The Association disagrees but does not offer any attractive alternative. I took notice that many of the State's collective bargaining agreements include loser pays language; but the record shows that NEA-Alaska has always vigorously resisted loser pays proposals. There is no other evidence of the intent of the parties behind this contract language.

That record provides me with little guidance about the parties' expectations as to *how* an arbitrator would designate the allocation of fees under this contract, although it seems clear that I am *not* to automatically split the fees and expenses. The best touchstone, perhaps, is by asking whether either party had a clear opportunity to avoid the cost of arbitration and to allocate these expenses to that party (if one exists). In the case at hand, the prep period contract language is quite clear, even if it is quite brief—the result of forcing the Association to go to arbitration is simply a declaration that Article 7, Section 7 means *exactly* what it says on its face—and there is no dispute that the teachers made their vigorous opposition to the contemplated schedule change known to the

6. Most Northwest school districts are now K-12, so the bargainers also encounter the scheduling problem or assuring that *elementary* teachers, too, will have prep time as a break in the constant student contact of their day.

7. The contract language, "one full class period," would allow the School to schedule any number of class periods, as long as every teacher gets one of those periods as prep time. That is one of the traditional complications that must be factored into schedule design: if there are more class periods, then the time lost to passing time (the time required for students to get from one classroom to the next) is increased, but the time "lost" to prep time is reduced. Because one *class period* of prep time is such a common feature of high school teacher collective bargaining agreements, the literature on schedule design usually begins with the recognition of those basic considerations.

Superintendent in advance.⁸ Moreover, the record does not suggest any Association responsibility for the ultimate necessity to resort to arbitration. In the face of that record, it is appropriate to allocate all these costs to the School.

The final issue is the determination of the appropriate remedy. There is no doubt that the School must make the teachers whole for the additional classes taught under the improperly revised schedule. I greatly regret the additional expense, particularly in light of the what amounts to a thinly disguised reduction of more than 10% in the School's budget for this school year. There is no doubt that the School was in a bind. But that choice by the State to decrease the per-student funding of the School did not grant the School the authority to increase the teachers' workload without any bargaining and contrary to the language of the prep time provision of the collective bargaining agreement. The School's unilateral change clearly breached that prep time provision; and the teachers actually performed the substantial additional work which was required by the School's breach of that provision, an additional workload above and beyond the workload the Association agreed to in the collective bargaining agreement. (This was as far beyond the Association's bargain with the School as if a contractor agreed on a fixed price to build a three-bedroom house only to have the owner insist that the contractor provide a much larger, four-bedroom house at the price agreed for three.) The teachers must be made whole for the additional work at the appropriate per diem rate for every day that they have worked (or will work during the rest of the year) one class period too many.

8. Much of the parties' attention throughout the grievance process was misdirected at the differences between the contract's definitions of "academic school day" ("the day starting at 8 a.m. and ending at 4 p.m. ...") and "standard workday" ("eight . . . hours exclusive of a [30 minute] meal period."). But the Association President specifically pointed to Article 7, Section 7 in her final, August 17 remonstrance to the Superintendent.

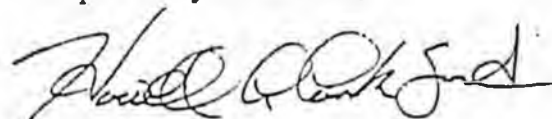
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AWARD

The School violated Article 7 of the collective bargaining agreement when it mandated the schedule for SY 2004-2005. The School shall make the teachers whole—at the usual per diem rate—for the additional classes they taught as a result of that contract violation. Beginning with the next, 2005-2006 school year, the School shall once again schedule each teacher to have a full duty free prep period at the time of one of the regular class periods during the regular student contact day. The School shall also pay the entire expenses and fees of the arbitrator.

By stipulation of the parties, I retain jurisdiction for the limited purpose of resolving issues that might arise under the general "make whole" language of this award. That retained jurisdiction shall lapse 30 days from the date of this Award unless it is previously invoked or is extended by mutual agreement or for good cause shown.

Respectfully submitted,



Howell L. Lankford
Arbitrator

Sec. 4(b)

Subject: TEAME Arb. Award

From: dianne kiesel <dianne_kiesel@admin.state.ak.us>

Date: Fri, 29 Apr 2005 10:58:23 -0800

To: "Anderson, Willie [AK]" <Willie.Anderson@neaalaska.org>

CC: Bill Denkinger <bill.denkinger@mehs.us>

Willie, I am in receipt of your memorandum dated April 25, 2005 regarding State case number 05-T-108. You are correct the State believes that the Arbitrators award initiated a monetary term not previously approved by the legislator, therefore the monetary terms must be submitted for approval (AS 23.40.215)

We are working on the calculations since the contract only addresses per diem in a daily formula (Article 13, Section 2). The calculations the State plans to submit are as follows:

FY05 Salary divided by 188 days equals the daily rate. Daily rate divided by 480 minutes gives amount per minute. 65 minutes ("extra" being taught this year) times the minute rate then multiplied by the number of days the teacher physically taught in the year. Once we compile the final numbers I will provide you with a copy of the spreadsheet that will be submitted to the Legislature. For the remainder of the year we will assume that unless there is a leave slip in and approved the teachers will be working. Unexpected leave will be adjusted for at the end of the school year.

Please let me know if you have questions. Dianne

Sec. 4(b)

ALASKA LABOR RELATIONS AGENCY
1016 WEST 6th AVENUE, SUITE 403
P.O. BOX 107026
ANCHORAGE, ALASKA 99510-7026
(907) 269-4895
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TEACHERS EDUCATION ASSOCIATION)
MOUNT EDGE CUMBE, NEA-ALASKA, NEA)
)
Petitioner,)
)
vs.)
)
STATE OF ALASKA,)
)
Respondent.)
)

Case No. 05-1398-CBA

DECISION AND ORDER NO. 277

The A.L.R.A. Board (Vice Chair Aaron Isaacs, Jr., and Members Colleen Scanlon and Gary Atwood) heard this petition to determine timeliness of payment of an arbitrator's award. Petitioner Teachers Education Association of Mount Edgecumbe (TEAME) was represented by Uniserve Director Willie Anderson, and Respondent State of Alaska was represented by Labor Relations Analyst Dianne Kiesel. The parties agreed to have the Agency Board decide this matter based on the written record and briefing. The record closed on Friday, December 16, 2005, when the Board deliberated this matter.

Digest: The State submitted a request to the Alaska Legislature, for payment of monetary amounts awarded by an arbitrator to TEAME, in a timely manner.

DECISION

Statement of the Case

TEAME filed this petition seeking enforcement of monetary amounts awarded by an arbitrator. TEAME alleges that the State failed to timely request payment, by legislative appropriation, of the arbitrator's award. TEAME asks us to find that the State failed to timely submit payment of the arbitrator's award to the Alaska Legislature.

The State denies it submitted the award untimely. The State contends it submitted the award within a reasonable time after determining the amounts required to be paid under the award.

Issues

1. Did the State request funding of the arbitrator's award in a timely manner?

Findings of Fact

The Panel, by a preponderance of the evidence, finds the facts as follows:

1. TEAME represents the teachers at Mount Edgecumbe High School, which is located in Sitka.
2. TEAME and the State entered into a collective bargaining agreement effective July 1, 2004, through June 30, 2006. (Exh. J-1).
3. During the fall semester of 2004, a dispute arose over payment for preparation time spent by the teachers. The parties' grievance/arbitration procedure is contained in Article 6. This process consists of four steps with the last step culminating in arbitration. (Exh. J-1, Article 6, Section 3). TEAME filed a grievance on behalf of the teachers, and the dispute eventually ended in arbitration.
4. On March 4, 2005, arbitrator Howell Lankford found the State violated Article 7, Section 7 of the parties' collective bargaining agreement and ordered the State to "make the teachers whole." (Exh. J-2 at 8).
5. The State filed a Motion to Reconsider on March 23, 2005. (Exh. J-3). TEAME filed an objection to the State's motion on March 24, 2005. (Exh. J-4). Arbitrator Howell issued a denial of the State's motion on April 15, 2005. (Exh. J-5).
6. On April 25, 2005, Uniserv Director Willie Anderson wrote Labor Relations Analyst Dianne Kiesel and asked that the State "execute the award" of Arbitrator Lankford. Anderson concluded: "Please reply to this request on or before May 5, 2005. Thank you for your attention to this request." (Exh. J-6).
7. On April 29, 2005, Kiesel responded to Anderson by email: "Willie, I am in receipt of your memorandum dated April 25, 2005 You are correct the State believes that the Arbitrator[']s award initiated a monetary term not previously approved by the [legislature], therefore the monetary terms must be submitted for approval (AS 23.40.215)[.] . . . Once we compile the final numbers, I will provide you with a copy of the spreadsheet that will be submitted to the Legislature." (Exh. J-7).

8. On April 29, 2005, Kiesel again emailed Anderson and informed him the State would calculate based on daily rate divided by 480 minutes. "65 minutes ("extra" being taught this year) times the minute rate then multiplied by the number of days the teacher physically taught in the year." (Exh. J-8).

9. Anderson replied in a May 3, 2005, email: "My understanding is that the class periods are 80 minutes not 65 minutes as per the schedule at arbitration. My email has been down for the last five days." (Exh. J-8).

10. The parties continued an email 'debate' on whether the calculation should be based on an extra 65 minutes per day or 80 minutes per d.y. (Exh. J-9). On May 3, 2005, they reached consensus on how to calculate the per diem amounts.

11. On May 4, 2005, Cheryl Frasca, Director of the State Office of Management and Budget, sent Legislative leaders a request to "consider the following late-breaking supplemental amendment." Frasca requested that the Legislature appropriate \$107,865.28 to pay the Mount Edgecumbe teachers as a result of the arbitrator's award.

ANALYSIS

AS 23.40.215(b) provides in part: "The Department of Administration shall submit the monetary terms of an agreement to the legislature within 10 legislative days after the agreement of the parties, if the legislature is in session, or within 10 legislative days after the convening of the next regular session." TEAME argues that "the State has not met the '10 legislative days' requirement for submitting [the monetary calculation] for legislative approval and has not established an estoppel." (TEAME October 14, 2005 Brief at 2). TEAME contends that under the 10-day requirement, the State should have submitted a request to the Legislature "prior to March 17, 2005," 10 days after TEAME received the arbitrator's opinion.

TEAME has the burden to prove all the elements of its petition by a preponderance of the evidence. TEAME suggests that this dispute is similar to *International Brotherhood of Electrical Workers, Local Union 1547 vs. Kodiak Island Borough*, Decision and Order No. 190 (July 21, 1995), because in D&O 190, the Kodiak Island Borough refused to submit a collective bargaining agreement for approval by the Borough Assembly. However, in D&O 190, the Kodiak Island Borough refused to recognize that an agreement even existed between the parties. A major dispute in the case was whether the parties had actually reached agreement on a contract. There was no issue regarding the timeliness of submission of an agreement by the Borough to the Borough Assembly.

Further, D&O 190 differs from the dispute between TEAME and the State because here the State did submit the monetary terms for legislative approval. TEAME's

primary contention is that the State delayed unreasonably in submitting the monetary terms of the arbitrator's opinion for approval.

TEAME also argues that *Alaska Public Employees Association AFT Local 4900 AFL-CIO vs. State of Alaska*, Decision and Order No. 180 (November 25, 1994), is similar to the dispute here. But D&O 180 concerned the State's refusal to arbitrate grievances because it claimed it had "run out of money" until the beginning of the next fiscal year. (D&O 180 at 3).

Here, the State exercised its legal right to request reconsideration of the arbitrator's award. After it requested reconsideration, the State held off requesting payment from the Legislature because the arbitrator could have ruled in the State's favor and the State may not have owed any money from the dispute. Only when the litigation was final would the State be obligated to pay under the arbitrator's order. In D&O 180, by contrast, the State was literally refusing to arbitrate grievances at all.

Uniserv Director Anderson received the arbitrator's denial of reconsideration and requested that the State "execute the award." He requested that the State reply to his April 25, 2005, request "on or before May 5, 2005. During the ensuing days, the State and TEAME battled around the alternative ideas on what constitutes making the Mount Edgecumbe teachers whole under the arbitrator's opinion. The parties reached consensus on May 3, 2005, and the State immediately submitted the monetary terms to the Legislature for approval. We find that the State submitted the monetary terms of the arbitrator's opinion within a reasonable time after agreeing with TEAME on a method of calculation of those monetary terms. We will deny TEAME's petition.

CONCLUSIONS OF LAW

1. Teachers Education Association of Mount Edgecumbe is an organization under AS 23.40.250(5), and the State of Alaska is an employer under AS 23.40.250(7).
2. As petitioner, Teachers Education Association of Mount Edgecumbe has the burden to prove each element of its case by a preponderance of the evidence.
3. Teachers Education Association of Mount Edgecumbe failed to prove by a preponderance of the evidence that the State's submission of monetary calculations under Arbitrator Lankford's opinion was untimely.

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ORDER

1. Teachers Education Association of Mount Edgecumbe 's petition is denied and dismissed.

2. The State is ordered to post a notice of this decision and order at all work sites where members of this bargaining unit affected by the decision and order are employed, or, alternatively, personally serve each employee affected. 8 AAC 97.460.

ALASKA LABOR RELATIONS AGENCY

Aaron T. Isaacs, Jr., Vice Chair

Colleen E. Scanlon, Board Member

Gary A. Atwood, Board Member

APPEAL PROCEDURES

This order is the final decision of this Agency. Judicial review may be obtained by filing an appeal under Appellate Rule 602(a)(2). Any appeal must be taken within 30 days from the date of filing or distribution of this decision.

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CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of the Decision and Order No. 277, in the matter of *Teachers Education Association of Mount Edgecumbe, NEA-Alaska, NEA, vs. State of Alaska, Case No. 05-1398-CBA*, dated and filed in the office of the Alaska Labor Relations Agency in Anchorage, Alaska, this 13th day of February, 2006.

Sherry Ruiz
Administrative Clerk III

This is to certify that on the 13th day of February, 2006, a true and correct copy of the foregoing was mailed, postage prepaid to:

Willie Anderson, NEA-Alaska

Dianne Kiesel, State of Alaska

Signature

FISH +
GAME

Change Record Detail With Description

. Department of Fish and Game

Scenario: FY2007 Supplemental - Governor (5770)

Component: Wildlife Conservation Special Projects (474)

RDU: Wildlife Conservation (147)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Fund switch from SDPR to EVOS for Harlequin Duck Research Project												
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1018	EVOSS	30.0										
1108	Stat Desig	-30.0										
<p>The Division of Wildlife Conservation was awarded funding from the EVOS Trustee Council in the fall of 2006 for use during FY07. This \$86.7 Harlequin Duck Population Dynamics project in the Prince William Sound, will measure recovery from the Exxon Valdez oil spill.</p> <p>When the division built its budget in November 2005 for FY07, \$50.0 for EVOS projects was maintained based upon prior activity. This project funded in 2006, was not prepared until the 2006 RFP process. This request will make it possible for field staff to complete research during FY07 by adding \$30.0 of EVOS authority to the division.</p> <p>The division does not require \$30.0 of Statutory Designated Program Receipts (SDPR) spending authority for projects during the remainder of FY07.</p>												
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

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HEALTH +
SOCIAL
SERVICES

Department of Health and Social Services

SB 83 Section 1 (f)

Section 1 (g)

Enlarged Photographs



Proposed site of Virology Lab



Proposed site of Virology Laboratory – Connects to BiRD Facility on left



Existing roof leaks at Sitka Pioneer Home - South Wing



Existing roof leaks at Sitka Pioneer Home – North Wing

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2007 Supplemental - Governor (5770)

Component: Pioneer Homes (2671)

RDU: Alaska Pioneer Homes (503)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Increase in RSS collections for Nursing Salary; uncollectible federal receipts; and sanitation and supply needs												
	Suppl	800.0	317.9	0.0	0.0	482.1	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs	800.0											
<p>The department is requesting additional Receipt Supported Services authorization for the Pioneer Homes component: Alaska Pioneer Homes is currently projecting approximately \$800.0 in receipt supported services collections above their budget authorization for FY07. The division requests additional authorization to spend these receipts for the purposes below. Funds are available from payments by Pioneers to live in the homes. The Legislature has consistently appropriated these funds back to the Pioneer Home system so that revenues collected can be used for the benefit of the Pioneers.</p> <p>Nursing Salary Increase: \$86,900 Receipt Supported Services In FY07 the Legislature approved additional general funds for nursing salaries. The nursing salary increase also impacted non general funding sources. However the division does not have enough existing authorization to use the collections for this purpose. This request of \$86.9 in Receipt Supported Services will provide the authorization for these receipts to be used towards the increased nursing salary costs. An increment for this purpose was added in the FY08 Governor's budget for the same purpose as this is for on-going costs.</p> <p>Offset Uncollectible Federal Receipts: \$231,000 Receipt Support Services The Palmer Pioneer and Veterans' Home is still awaiting federal approval. Until approval has been obtained, the Pioneer Home is unable to collect the budgeted federal receipts. The federal receipt authorization will be restricted.</p> <p>Safety and Sanitation Costs for Homes: \$482,100 Receipt Supported Services During the summer of 2006 the department reviewed and compiled a comprehensive list of all necessary repairs to State-owned facilities. In addition to capital repair needs, the Pioneer Homes have a wide range of safety and sanitation issues that need to be addressed. Homes contain furnishings that are damaged or broken that pose a risk of injury to a resident, such as broken corners on night tables, unstable legs on chairs, etc. In many areas the draperies are beyond repair or cleaning and need to be replaced so they don't pose a health hazard with germs or mold. As the resident population requires a higher level of care, accommodating equipment, bed and/or mattress replacement becomes an issue as well. This funding will allow the resident receipts to be used towards these various on-going needs that cannot be met with the existing supply line budget.</p>												
Totals		800.0	317.9	0.0	0.0	482.1	0.0	0.0	0.0	0	0	0

See 6/2)

Change Record Detail With Description
Department of Health and Social Services

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Behavioral Health Medicaid Services (2660)
 RDU: Behavioral Health (483)

Scenario/ Change Record	Trans Title Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Increase SDPR Authorization for Overpay Recoveries												
	Suppl	600.0	0.0	0.0	0.0	0.0	0.0	600.0	0.0	0	0	0
1108 Stat Desig	600.0											
<p>The Department is requesting \$600,000 additional Statutory Designated Program Receipt authority to comply with provisions of AS 47.05.200(c) related to audits. This provision was established under Chapter 66, SLA 2003 (SB 41 Establishing independent audits) and requires the recovered overpayments from audits to be collected in this manner.</p> <p>Medicaid is an entitlement program created by the federal government, but administered by the state to provide payment for medical services to low income citizens. People qualify for Medicaid by meeting federal income and asset standards and by meeting specified eligibility categories. Once it has been determined that a client qualifies for Medicaid, payment will be made to the provider for medical expenses. Through the audit process, it may be discovered that there was a claiming discrepancy or an incorrect eligibility determination. Once this finding has been made, the State will bill the agency to collect the overpayment. This payment is received as statutory designated program receipts in the Medicaid component.</p> <p>The additional statutory designated program receipt authorization will allow the Behavioral Health Medicaid program to collect and expend these revenues above the current authorization.</p> <p>In calendar year 2006, the department collected \$579.8 for the total Medicaid program as follows:</p> <p>\$ 16.9 January through March \$125.7 April through June \$163.1 July through September \$274.1 October through December</p>												
Totals		600.0	0.0	0.0	0.0	0.0	0.0	600.0	0.0	0	0	0

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Change Record Detail With Description
Department of Health and Social Services

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Children's Medicaid Services (2661)
 RDU: Children's Services (486)

Scenario/ Change Record	Trans Title	Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
											PFT	PPT	NP

FY2007 Supplemental - Governor

Increase SDPR Authorization for Overpay Recoveries

	Suppl		100.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0	0	0
1108 Stat Desig			100.0										

The Department is requesting \$100,000 additional Statutory Designated Program Receipt authority to comply with provisions of AS 47.05.200(c) related to audits. This provision was established under Chapter 66, SLA 2003 (SB 41 Establishing independent audits) and requires the recovered overpayments from audits to be collected in this manner.

Medicaid is an entitlement program created by the federal government, but administered by the state to provide payment for medical services to low income citizens. People qualify for Medicaid by meeting federal income and asset standards and by meeting specified eligibility categories. Once it has been determined that a client qualifies for Medicaid, payment will be made to the provider for medical expenses. Through the audit process, it may be discovered that there was a claiming discrepancy or an incorrect eligibility determination. Once this finding has been made, the State will bill the agency to collect the overpayment. This payment is received as statutory designated program receipts in the Medicaid component.

The additional statutory designated program receipt authorization will allow the Children's Services Medicaid program to collect and expend those revenues above the current authorization.

In calendar year 2006, the department collected \$579.8 for the total Medicaid program as follows:

\$ 16.9 January through March
 \$125.7 April through June
 \$163.1 July through September
 \$274.1 October through December

Totals			100.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0	0	0
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See below

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2007 Supplemental - Governor (5770)

Component: Medicaid Services (2077)

RDU: Health Care Services (485)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Dobt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Medicaid Rate Settlement with Alaska Regional												
	Suppl	8,000.0	0.0	0.0	0.0	0.0	0.0	8,000.0	0.0	0	0	0
1002 Fed Rcpts		4,606.4										
1003 G/F Match		3,393.6										

The Department is requesting \$8,000,000 (\$4,606,400 federal authorization and \$3,393,600 general funds) to settle a Medicaid rate dispute between the State of Alaska and Alaska Regional Hospital.

The department and Alaska Regional Hospital have negotiated a settlement on a disputed rate for Medicaid services. The rates under appeal include Medicaid payment rates for the years 1991 through 2000. The department has been seriously addressing these issues in the legal environment since 1992. However, the complexity of the appeals and the realities of navigating the legal system from the department appeal processes through the court system have prevented timely resolution of the issues. The hospital is asking for \$8,000,000 to settle 10 years of claims (1991-2000). The settlement would resolve all rate issues through 2000. In 2001 our rate setting was changed and since then we have had very few appeals from Alaska Regional. The settlement is eligible for reimbursement through Medicaid at the regular FMAP of 53.22% for SFY 2007.

The Department of Law is recommending settlement of this long standing rate dispute. The settlement agreement is attached.

See. 6(d)

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SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is entered into between the State of Alaska, Department of Health and Social Services ("State"), and Galen Hospital Alaska, Inc. d/b/a Alaska Regional Hospital ("Alaska Regional" or "the Facility"). The State and Alaska Regional are sometimes referred to in the Agreement collectively as the "parties".

RECITALS

A. Alaska Regional operates a facility for acute care in Anchorage, Alaska and provides medical assistance services to eligible persons under the Alaska Medicaid program, AS 47.07.010, et. seq.

B. In connection with its provision of medical assistance services under the Alaska Medicaid program, Alaska Regional has pending in various stages of administrative appeal before the Commissioner of Department of Health and Social Services the following administrative appeals of its Medicaid rates:

1. *In The Matter of Alaska Regional Hospital Medicaid Rate Appeals for FY 1991 - 1993 and FY 1994, Case No. 93-MRC-06 (Cons.);*
2. *In The Matter of Alaska Regional Hospital Medicaid Rate Appeals for FY 1995, Case No. 95-AU-04 (Cons.);*
3. *In The Matter of Alaska Regional Hospital Medicaid Rate Appeals for FY 1996 and FY 1997, Case No. 97-MRC-05 (Cons.);*
4. *In The Matter of Alaska Regional Hospital Medicaid Rate Appeal for FY 1998, Case No. 99-MRC-01;*

5. *In The Matter of Alaska Regional Hospital Medicaid Rate Appeal for FY 1999, Case No. 99-MRC-08; and*
6. *In The Matter of Alaska Regional Hospital Medicaid Rate Appeal for FY 2000, Case No. 01-MRC-03.*

C. For all purposes of this Agreement, *In The Matter of Alaska Regional Hospital Medicaid Rate Appeals for FY 1991 – 1993 and FY 1994, Case No. 93-MRC-06 (Cons.)* includes that portion of the administrative appeal before the Commissioner on remand from the Superior Court in *Alaska Regional Hospital, Inc. etc v. Department of Health and Social Services et al, Case No. 3AN-01-07103 CI.*

D. The parties now desire to settle all the remaining claims asserted in the Medicaid appeals referred to in Paragraphs B and C whether or not denominated as Medicaid rate claims, as well as claims that Alaska Regional could have asserted against the State regarding facts, such as acts or omissions that arose or existed prior to and through the date of settlement, that relate in any way to any claim asserted by Alaska Regional in these pending appeals or to claims which Alaska Regional could have asserted in the pending appeals.

NOW, THEREFORE, in exchange for the mutual promises contained in this Agreement, the parties agree as follows:

1. Release. Alaska Regional hereby releases, acquits, and forever discharges the State of Alaska, its departments, agencies and other subdivisions, officials, officers and/or employees, partners, contractors, successors

and/or predecessors in interest, agents, attorneys, and any other persons or entities acting through or on behalf of the State of Alaska ("the State") from any and all actions, causes of action, suits, controversies, claims, demands of every kind and nature, whether mature or to mature in the future, and whether or not the existence or nature of any such cause of action or claim is now known or contemplated, arising out of or relating in any respect to Alaska Regional's FY 1991, FY 1992, FY 1993, FY 1994, FY 1995 (including the FY 1995 'stub period'), FY 1996, FY 1997, FY 1998, FY 1999 and FY 2000 Medicaid payment rates.

2. Dismissal of Appeals. Concurrently with the execution of this Agreement, the parties shall execute stipulations for dismissal with prejudice in the following matters: *In the Matter of Alaska Regional Hospital*, Case Nos. 93-MRC-06 (Cons.), 95-AU04 (Cons.), 97-MRC-05 (Cons.), 99-MRC-01, 99-MRC-08, and 01-MRC-03. its Medicaid rate appeals for FY 1991, FY 1992, FY 1993, FY 1994, FY 1995 (including the FY 1995 'stub period'), FY 1996, FY 1997, FY 1998, FY 1999 and FY 2000. The stipulations for dismissal with prejudice will be filed with the Office of Hearings and Appeals and the Office of the Commissioner of Department of Health and Social Services as appropriate. The parties shall take whatever additional actions may be necessary, if any, in order to accomplish dismissal of the subject matters with prejudice to their refiling.

Sec. 6(d)

3. Payment to Alaska Regional. The parties agree that the State will pay Alaska Regional \$8,000,000.00 (\$8 million) in full payment of Alaska Regional's FY 1991, FY 1992, FY 1993, FY 1994, FY 1995 (including the FY 1995 'stub period'), FY 1996, FY 1997, FY 1998, FY 1999 and FY 2000 Medicaid rate claims. The State's warrant or warrants in the total amount of \$8 million will be payable to Alaska Regional Hospital and shall be presented to Alaska Regional Hospital, 2801 DeBarr Road, Anchorage, Alaska 99508, to the attention of Ed Lamb, Chief Executive Officer and Administrator. The Facility acknowledges that the State must obtain an appropriation prior to payment of the entire settlement amount. The State, through the Department of Health and Social Services, will exercise due diligence to obtain the appropriation in a timely manner. The State agrees that if the Department determines that other money (i.e. money that does not come from the appropriation noted above) is available to make a partial payment of the full amount owed to Facility, the State will make such partial payment, at its sole discretion, prior to obtaining an appropriation for the full amount owed to Facility. Enforcement of the Agreement is dependent upon payment to the Facility of the settlement amount. If full payment of the settlement amount is not received by Alaska Regional within 60 days of the close of the 2007 legislative session of the Alaska State Legislature, this Agreement may, upon written notification to the State and return to the State of all partial payments made under this Paragraph, be declared void by Alaska Regional

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Hospital. If this Agreement is declared void by Alaska Regional Hospital under this paragraph, the parties shall have the rights and defenses that they had prior to the execution of this Agreement with respect to prosecuting the matters listed in Paragraphs B and C, above.

4. Effect of Settlement. (a) The parties agree that this Settlement Agreement is a comprehensive and finite settlement for Alaska Regional's Medicaid rates for its fiscal years 1991 - 2000. The parties agree that this Agreement does not have, and may not be read to have, any impact of any kind on the Medicaid rates established for any year subsequent to Alaska Regional's FY 2000. The \$8 million settlement is a lump-sum settlement for all of the Medicaid Rate Appeals listed in Paragraphs B and C, above. The parties agree that this Agreement does not apportion the \$8 million settlement amount in Paragraph 3 among the rate years or contested issues in the Medicaid appeals referred to in Paragraphs B and C above.

(b) Notwithstanding subparagraph (a) above, the parties agree that the issue of whether the Plaza purchase price is to be reallocated has been definitively resolved and that the portion of the reallocation allotted to the Plaza purchase is to be based on the 1983 appraisal of that property provided during the course of litigation in the matters listed in Paragraphs B and C above. The parties further agree that for Medicaid rate years subsequent to the Facility's FY 2000, if the Facility files a timely appeal and the issue of reallocation of the purchase price

is raised in the Statement of Issues, resolution of that issue is limited to the actual reallocation calculation.

5. Fees and Costs. Each party will bear its own costs, attorneys' fees and consultants' fees.

6. Complete Agreement. The parties intend this Agreement to incorporate the complete settlement between the parties with respect to all issues raised in the pending appeals that are the subject of this settlement and as further set forth in Paragraph 1 above. All prior negotiations, representations, and agreements, whether written or oral, concerning the subject matter of the Medicaid Rate Appeals referred to in Paragraphs B and C, above, are hereby merged into this Agreement. This Agreement may only be amended by a signed writing executed by both parties, which specifically refers to this Agreement.

7. No Admission. This Agreement is the result of the compromise of disputed claims and does not constitute an admission of liability by either party to this Agreement. Specifically, the parties acknowledge that there has been no agreement between them on the legal issues and calculations concerning year-end-conformance (YEC) and roll forward amounts as applied to the rate years settled by this Agreement. Nothing in this Agreement is intended to affect the claims or defenses of any person or entity other than the parties to this Agreement. This Agreement may not be used as precedent for similar or

dissimilar issues raised by Alaska Regional or any other facility in an appeal of its Medicaid rates.

8. Construction/Severability. This Agreement is made and entered into in the State of Alaska and shall in all respects be interpreted, enforced, and governed by and according to the laws of Alaska. Each party acknowledges that the terms of this Agreement are contractual and not mere recitals, and further represent that they have read them carefully, fully understand them, and voluntarily accept them for the purposes of making a full and final compromise of any and all claims, disputed or otherwise, for and on account of any injuries and damages mentioned herein.

All parts of this Agreement shall be construed fairly according to their terms. No presumption shall be applied for or against either party based on which party originated the documents or drafts thereof. Paragraph headings are for convenience only and shall not be construed to alter or otherwise affect the meaning of the text of any section. Should any provision of this Agreement be declared or determined by any court of competent jurisdiction to be illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining provisions shall not be affected thereby, and said illegal, invalid, or unenforceable part, term, or provision shall be deemed not to be a part of this Agreement, provided that the parties agree that the court shall, if possible, construe this Agreement so as to give full force and effect to each of its provisions.

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The pending matters referred to in the Recitals at Paragraphs B and C above did not involve any allegations or proof of, or defenses to, any claims of potential or actual administrative, civil, or criminal liability relating to any alleged wrongful receipt of Medicaid payments from the State of Alaska. Therefore, any such allegations, claims, proof, and defenses are outside the scope of this agreement. This agreement does not address in any way potential or actual wrongful actions by the Facility relating to participation in the Alaska Medicaid program. Nothing in this Agreement will be used to bar the State or federal government from administrative, civil, and/or criminal sanctions for, or relating to, wrongful actions by the Facility, or any person or entity, under the Alaska Medicaid program. Failure by the Facility to follow Medicaid billing practice requirements, or other Medicaid requirements, during the Facility's participation in the Alaska Medicaid program is outside the scope of this Agreement, and this Agreement is not a bar to collection by the State from the Facility of amounts, if any, owed by the Facility to the State because of the Facility's failure to follow Medicaid billing practice requirements, or other Medicaid requirements, of the Alaska Medicaid program. Nothing in this Agreement shall be construed as a limitation of any kind of any of the rights and privileges of the Facility to oppose through proper legal process any claim of failure by the Facility to follow Medicaid billing practice requirements, or other Alaska Medicaid Program

Sec. 6(d)

requirements, during the Facility's participation in the Alaska Medicaid program, if such claim is made by the State in the future.

IN WITNESS WHEREOF, the parties have executed this Settlement and Release Agreement on the respective dates set forth opposite their signatures.

GALEN HOSPITAL ALASKA, INC. d/b/a
ALASKA REGIONAL HOSPITAL

Date: 2 Nov 2006 By: Edward Lamb
Ed Lamb
Chief Executive Officer and Administrator

PRESTON, GATES AND ELLIS, LLP

Date: November 6, 2006 By: Stephen D. Rose
Stephen D. Rose
Attorneys for Alaska Regional Hospital

STATE OF ALASKA DEPARTMENT OF
HEALTH AND SOCIAL SERVICES

Date: November 8, 2006 By: Anthony M. Lombardo
Anthony M. Lombardo
Deputy Commissioner
Department of Health and Social Services

DAVID W. MARQUEZ
ATTORNEY GENERAL

Date: November 8, 2006 By: Linda L. Kesterson
for Linda L. Kesterson
Assistant Attorney General
Attorneys for the State

Department of Health and Social Services

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Medicaid Services (2077)
 RDU: Health Care Services (485)
 Title: Increase SDPR Authorization for Overpay Recoveries and School Based Services

Decision: None
 Category: None
 Subcategory: None

New GF Revenue:
 New Other Revenue:
 Short Title:

Brief Description:

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
	Suppl	1,000.0	0.0	0.0	0.0	0.0	0.0	1,000.0	0.0	0	0	0
1108 Stat Desig		1,000.0										

The department is requesting \$1,000,000 additional Statutory Designated Program Receipt authority to comply with provisions of AS 47.05.200(c) related to audits. This provision was established under Chapter 66, SLA 2003 (SB 41 Establishing independent audits) and requires the recovered overpayments from audits to be collected in this manner.

Medicaid is an entitlement program created by the federal government, but administered by the state to provide payment for medical services to low income citizens. People qualify for Medicaid by meeting federal income and asset standards and by meeting specified eligibility categories. Once it has been determined that a client qualifies for Medicaid, payment will be made to the provider for medical expenses. Through the audit process, it may be discovered that there was a claiming discrepancy or an incorrect eligibility determination. Once this finding has been made, the State will bill the agency to collect the overpayment. The department is requesting \$700,000 statutory designated program receipt authority to allow for overpay recoveries.

The department is requesting \$300,000 for School Based Services. These services allow schools to bill and receive Medicaid reimbursement for health services provided in the school situation. For example, a teacher who provides referrals to a student for physical, occupational or speech therapy provided by the school would document time spent and bill Medicaid. Once the billing is received, Medicaid will make full payment. The school is responsible to pay the match portion of this, which is received as statutory designated program receipts.

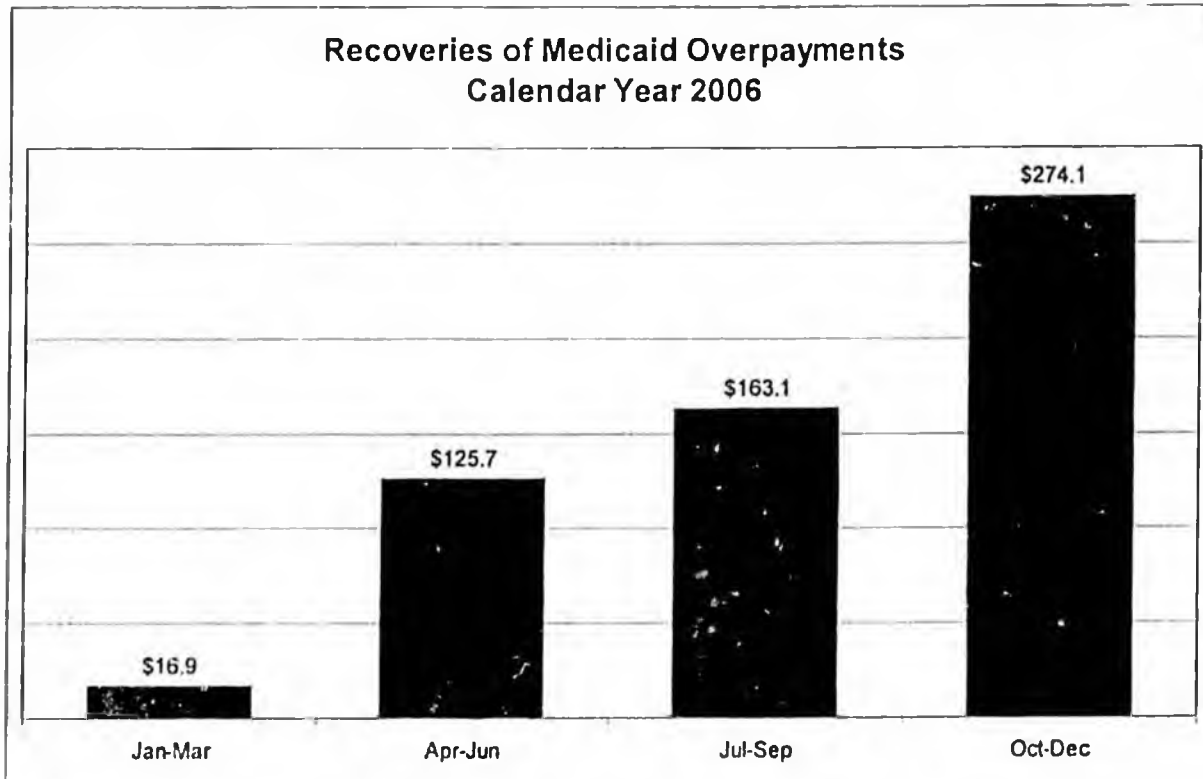
The additional statutory designated program receipt authorization will allow the Medicaid program to collect and expend these revenues above the current authorization.

The following chart demonstrates the collections this year for the total Medicaid program across the department:

Totals	1,000.0	0.0	0.0	0.0	0.0	0.0	0.0	1,000.0	0.0	0	0	0
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See table

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Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2007 Supplemental - Governor (5770)

Component: Probation Services (2134)

RDU: Juvenile Justice (319)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP

FY2007 Supplemental - Governor

Court Ordered Costs

	Suppl	206.5	0.0	0.0	0.0	0.0	0.0	206.5	0.0	0	0	0
1004 Gen Fund	206.5											

The Department of Health and Social Services, Division of Juvenile Justice, is requesting supplemental funding of \$206,500 in general funds to pay for court-ordered costs. Per legislation direction these costs are not budgeted, but are part of the annual supplemental process.

These costs are incurred for guard hires for escorts, travel for juveniles that is not Medicaid eligible, psychiatric evaluations that are not Medicaid eligible, and other miscellaneous court ordered costs. Recipients of the funds are youths either in division custody or under court order to receive specified services.

The division does not specifically budget for these court ordered costs and in previous years these costs have been provided through supplemental funding.

Attached to this request is a more detailed spreadsheet of the court ordered costs incurred to-date totaling \$86,011.91. We then assume that 5.5 months worth of invoices have been paid. Using a straight-line projection and adding 10%, the total request for FY07 is \$206,428.59.

Currently, the funds are being expended from the Probation Services component within the Juvenile Justice RDU. We do not anticipate the lapse of any funds in FY07, either with respect to these funds or anywhere else within the RDU. If this supplemental request is not approved, the division would have to cut other programs (e.g., probation services, community programs, or youth courts) to fund these costs.

This is not an unanticipated need. The direction from the legislature has been to request these funds each year in the supplemental bill similar to the Department of Law's Judgments and Claims process.

Totals		206.5	0.0	0.0	0.0	0.0	0.0	206.5	0.0	0	0	0
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COMIS	LOCATION	TYPE of SERVICE	PAYEE	DATE of SVC/TRVL	COST
00003692	Ketchikan	Travel	Ak Airlines	7/6/06	713.00
00003692 Total					713.00
00006528	Kodiak*	Guard Fee	Detec	07/11/06	375.50
00006528	Kodiak*	Client Travel	Era Aviation	07/11/06	343.51
00006528 Total					719.01
00007444	Kodiak*	Client Travel	Era Aviation	07/17/06	403.49
00007444 Total					403.49
00008614	Kodiak*	Guard Fee	Detec	01/31/06	76.00
00008614 Total					76.00
00011216	Barrow	Travel	AK Airlines	8/29/2006	1,233.50
00011216 Total					1,233.50
00013168	Nome	Travel	Bering Air	7/6/2006	717.00
00013168 Total					717.00
00016850	Barrow	Travel	AK Airlines	11/22/2006	1,002.52
00016850 Total					1,002.52
00018895	Barrow	Travel	Frontier/AK Airlines	7/12/2006	491.30
00018895 Total					491.30
00020644	Kotzebue	Travel	AK Airlines	9/25/2006	230.50
00020644	Kotzebue	Travel	Bering Air	9/22/2006	674.00
00020644 Total					904.50
00020645	Kotzebue	Travel	AK Airlines	9/25/2006	643.00
00020645	Kotzebue	Travel	AK Airlines	10/26/2006	1,531.43
00020645	Kotzebue	Travel	AK Airlines, Bering Air	11/3/2006	856.09
00020645 Total					3,030.52
00021046	Barrow	Travel	AK Airlines	12/7/2006	620.50
00021046 Total					620.50
00023216	Barrow	Travel	AK Airlines	7/11/2006	1,439.94
00023216 Total					1,439.94
00026280	Kotzebue	Travel	Bering Air	9/20/2006	724.45
00026280	Kotzebue	Travel	Bering Air	8/8/2006	812.00
00026280	Kotzebue	Travel	Bering Air	10/11/2006	247.00
00026280	Kotzebue	Travel	Bering Air	8/22/2006	230.00
00026280 Total					2,013.45
00027265	Barrow	Travel	AK Airlines	11/9/2006	301.01
00027265	Barrow	Travel	AK Airlines	10/3/2006	300.51
00027265 Total					601.52
00027542	Ketchikan	Travel	Ak Airlines	9/22/06	598.00
00027542 Total					598.00
00028730	Craig	Travel	Promech	7/18/06	135.00

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COMIS	LOCATION	TYPE of SERVICE	PAYEE	DATE of SVC/TRVL	COST
00028730	Craig	Travel	Promech	8/28/06	576.50
00028730	Craig	Travel	Inter Island Ferry	9/18/06	78.44
00028730 Total					789.94
00029747	Kodiak*	Client Travel	Alaska Airlines	11/06/06	427.60
00029747	Kodiak*	Escort Travel	Alaska Airlines	11/5-6/06	836.71
00029747	Kodiak*	Client Travel	Era Aviation	11/08/06	297.49
00029747	Kodiak*	Escort Travel	Era Aviation	11/08/06	297.49
00029747 Total					1,859.29
00031099	Ketchikan	Travel	Ak Airlines	12/6/06	837.00
00031099 Total					837.00
00034526	Barrow	Travel	AK Airlines	10/3/2006	915.52
00034526	Barrow	Travel	AK Airlines	11/9/2006	311.31
00034526 Total					1,226.83
00036748	Fairbanks	Assessment	Volunteers of America	7/6/2006	75.00
00036748 Total					75.00
00038668	Craig	Travel	Promech	7/18/06	262.25
00038668 Total					262.25
00039003	Ketchikan	Travel	Ak Airlines	12/1/07	308.50
00039003 Total					308.50
00040245	Ketchikan	Travel	Ak Airlines	8/28/07	1,118.49
00040245	Ketchikan	Travel	Ak Airlines	8/28/06	1,060.50
00040245 Total					2,178.99
00041186	Kotzebue	Travel	AK Airlines/Bering	9/6/2006	813.36
00041186	Kotzebue	Travel	Bering Air	9/7/2006	125.00
00041186 Total					938.36
00041379	Kenai*	Psych Eval	Dr. Paul Turner	08/14/06	1,000.00
00041379 Total					1,000.00
00041974	Ketchikan	Travel	Ak Airlines	9/20/06	164.00
00041974	Ketchikan	Travel	Sunrise Aviation	8/24/06	1,125.00
00041974 Total					1,289.00
00042528	Valdez*	Client Travel	Era Aviation	09/06/06	123.00
00042528	Valdez*	Escort Travel	Era Aviation	09/06/06	228.99
00042528	Valdez*	Guard Fee	Detec	09/06/06	253.75
00042528 Total					605.74
00043087	Dillingham*	Guard Fee	Detec	12/20/05	437.00
00043087 Total					437.00
00043370	Kotzebue	Travel	Bering Air	9/26/2006	486.00
00043370 Total					486.00
00043763	Kodiak*	Guard Fee	Detec	01/06/06	163.00

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COMIS	LOCATION	TYPE of SERVICE	PAYEE	DATE of SVC/TRVL	COST
00043763	Kodiak*	Guard Fee	Detec	01/31/06	383.00
00043763 Total					546.00
00043801	Kotzebue	Travel	AK Airlines	10/25/2006	581.04
00043801 Total					581.04
00044677	Dillingham*	Guard Fee	Detec	01/04/06	116.50
00044677 Total					116.50
00045460	Ketchikan	Travel	Ak Airlines	8/2/06	178.01
00045460	Ketchikan	Travel	Ak Airlines	9/15/06	187.50
00045460 Total					365.51
00045473	Fairbanks	Psych Eval	Samaritan Counseling	10/11/2006	325.00
00045473 Total					325.00
00045809	Craig	Travel	Promech	9/13/06	273.00
00045809 Total					273.00
00045817	Ketchikan	Travel	Inter Island/Promech	10/26/06	144.84
00045817 Total					144.84
00045836	Ketchikan	Travel	Ak Airlines	12/7/06	358.80
00045836	Ketchikan	Travel	Promech	10/2/06	91.00
00045836 Total					449.80
00046285	MatSu*	Client Travel	Era Aviation	08/18/06	94.00
00046285	MatSu*	Escort Travel	Era Aviation	08/18/06	171.00
00046285	MatSu*	Guard Fee	Detec	08/18/06	306.25
00046285 Total					571.25
00046315	Kotzebue	Travel	Bering Air	7/3/2006	728.50
00046315	Kotzebue	Travel	Bering Air	7/5/2006	129.50
00046315 Total					858.00
00046565	Fairbanks	Travel	AK Airlines	10/9/2006	601.90
00046565 Total					601.90
00046697	Juneau	Travel	Wings	11/9/06	77.50
00046697 Total					77.50
00046798	Valdez*	Client Travel	Era Aviation	08/23/06	123.00
00046798	Valdez*	Escort Travel	Era Aviation	08/23/06	228.99
00046798	Valdez*	Guard Fee	Detec	08/23/06	223.00
00046798 Total					574.99
00046995	Dillingham*	Client Travel	Alaska Island Air	12/28/06	100.00
00046995	Dillingham*	Client Travel	Frontier Flying Svc	12/28/06	218.50
00046995	Dillingham*	Escort Travel	Frontier Flying Svc/PenAir	12/28-29/06	499.50
00046995	Dillingham*	Escort Hotel	Springhill Suites	12/29/06	80.00
00046995	Dillingham*	Escort Car	Budget Car Rental	12/29/06	37.30
00046995	Dillingham*	Escort Meals	Blinn Dull	12/28-29/06	32.00

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PMIS	LOCATION	TYPE of SERVICE	PAYEE	DATE of SVC/TRVL	COST
00046995	Dillingham*	Escort Travel	Alaska Island Air	12/28/06	217.50
00046995 Total					1,184.80
00047148	Bethel	Travel	AK Airlines	10/4/2006	1,131.49
00047148 Total					1,131.49
00047343	Juneau	Travel	Ak Airlines	11/14/06	205.00
00047343 Total					205.00
00047387	Craig	Travel	Ak Airlines	11/16/06	481.10
00047387 Total					481.10
00047420	Kotzebue	Travel	Bering Air	9/19/2006	224.00
00047420 Total					224.00
00047455	Kodiak*	Client Travel	Era Aviation	09/19/06	397.50
00047455	Kodiak*	Escort Travel	Alaska/ERA	09/19/06	179.00
00047455	Kodiak*	Guard Fee	Jerel Lampl	09/18/06	100.00
00047455	Kodiak*	Client Travel	Era Aviation	08/09/06	341.01
00047455	Kodiak*	Escort Travel	Era Aviation	08/09/06	341.01
00047455	Kodiak*	Guard Fee	Detec	08/09/06	414.50
00047455	Kodiak*	Client Travel	Alaska/ERA	09/14/06	397.50
00047455	Kodiak*	Escort Travel	Alaska/ERA	09/14/06	397.50
00047455	Kodiak*	Guard Fee	Detec	09/14/06	422.00
00047455	Kodiak*	Guard Fee	Steve McCormick	9/19-20/06	625.00
00047455 Total					3,615.02
00047816	Kodiak*	Guard Fee	Detec	07/26/06	178.00
00047816	Kodiak*	Client Travel	Era Aviation	08/23/06	179.00
00047816	Kodiak*	Guard Fee	Detec	08/23/06	241.00
00047816	Kodiak*	Client Travel	Era Aviation	07/26/06	181.50
00047816 Total					779.50
00047909	Barrow	Travel	AK Airlines	12/20/2006	886.30
00047909 Total					886.30
00047984	Juneau	Travel	Ak Airlines	11/6/06	998.21
00047984 Total					998.21
00048126	Kotzebue	Travel	AK Airlines	9/6/2006	863.50
00048126 Total					863.50
00048163	Dillingham*	Guard Fee	Detec	12/28/05	204.25
00048163 Total					204.25
00048205	Barrow	Travel	Frontier Flying	7/11/2006	293.50
00048205 Total					293.50
00048571	Ketchikan	Travel	Ak Airlines	10/23/06	205.00
00048571 Total					205.00
00048618	Ketchikan	Travel	Inter Island/Promech	9/13/06	168.44

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COMIS	LOCATION	TYPE of SERVICE	PAYEE	DATE of SVC/TRVL	COST
00048618	Ketchikan	Travel	Ak Airlines	11/2/06	1,136.40
00048618	Ketchikan	Travel	Ak Airlines	11/2/06	1,137.40
00048618	Total				2,442.24
00048809	Sitka	Travel	Ak Airlines	12/5/06	164.50
00048809	Total				164.50
00048816	Valdez*	Guard Fee	Detec	11/29/06	162.50
00048816	Total				162.50
00048830	Kodiak*	Guard Fee	Detec	09/20/06	587.00
00048830	Kodiak*	Guard Fee	Steve McCormick	09/14/06	175.00
00048830	Kodiak*	Client Travel	Era Aviation	09/14/06	196.00
00048830	Kodiak*	Escort Travel	Alaska/ERA	09/14/06	341.01
00048830	Kodiak*	Client Travel	Era Aviation	09/20/06	414.50
00048830	Kodiak*	Escort Travel	Era Aviation	09/20/06	397.50
00048830	Total				2,111.01
00049133	Nome	Travel	Frontier Flying	9/25/2006	696.00
00049133	Nome	Travel	AK Airlines	12/7/2006	675.50
00049133	Total				1,371.50
00050021	Valdez*	Client Travel	Alaska/ERA	07/11/06	405.00
00050021	Valdez*	Guard Fee	Detec	10/03/06	251.50
00050021	Valdez*	Client Travel	Era Aviation	10/03/06	112.00
00050021	Valdez*	Escort Travel	Era Aviation	10/03/06	207.00
00050021	Total				975.50
00050059	Craig	Travel	Ak Airlines	7/13/06	662.49
00050059	Total				662.49
00050615	Valdez*	Guard Fee	Detec	10/26/06	165.00
00050615	Valdez*	Client Travel	Alaska Airlines	10/26/06	262.31
00050615	Total				427.31
00050769	Dillingham*	Client Travel	PenAir	09/06/06	121.00
00050769	Dillingham*	Escort Travel	PenAir	09/06/06	121.00
00050769	Total				242.00
00050849	Ketchikan	Travel	Ak Airlines	7/27/06	1,062.59
00050849	Ketchikan	Travel	Ak Airlines	8/2/06	190.00
00050849	Total				1,252.59
00050889	Fairbanks	Travel	AK Airlines	9/19/2006	1,288.78
00050889	Fairbanks	Travel	AK Airlines	9/19/2006	335.60
00050889	Total				1,624.38
00050949	Kodiak*	Client Travel	Era Aviation	10/11/06	157.00
00050949	Kodiak*	Escort Travel	Era Aviation	10/11/06	296.99
00050949	Kodiak*	Guard Fee	Elinor Ramos	10/11/06	162.50

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OMIS	LOCATION	TYPE of SERVICE	PAYEE	DATE of SVC/TRVL	COST
00050949	Kodiak*	Guard Fee	Steve McCormick	10/11/06	225.00
00050949	Kodiak*	Client Travel	Era Aviation	10/24/06	296.99
00050949	Kodiak*	Escort Travel	Era Aviation	10/24/06	296.99
00050949 Total					1,435.47
00051416	Fairbanks	Travel	Warbelow Air	7/17/2006	190.50
00051416 Total					190.50
00051630	Nome	Travel	Frontier Flying	10/23/2006	117.00
00051630	Nome	Travel	Frontier Flying	10/23/2006	(50.00)
00051630 Total					67.00
00051671	Ketchikan	Psych. Eval	John Kesserling	10/6/06	1,500.00
00051671	Ketchikan	Travel	Ak Airlines	10/25/06	366.98
00051671	Ketchikan	Travel	Ak Airlines	09/22/06	328.01
00051671	Ketchikan	Travel	Ak Airlines	11/22/06	173.00
00051671 Total					2,367.99
00051689	MatSu*	Client Travel	PenAir	08/16/06	521.00
00051689 Total					521.00
00051759	Ketchikan	Travel	Ak Airlines	9/27/06	791.95
00051759 Total					791.95
00051964	Ketchikan	Travel	Ak Airlines	7/11/06	387.50
00051964	Ketchikan	Psych. Eval	John Kesserling	10/6/06	1,500.00
00051964 Total					1,887.50
00052052	Ketchikan	Travel	AK Marine Hwy.	12/6/06	41.00
00052052 Total					41.00
00052096	Kodiak*	Client Travel	Era/Alaska Airlines	11/26-27/06	368.00
00052096	Kodiak*	Escort Travel	Era/Alaska Airlines	11/26-27/06	368.00
00052096	Kodiak*	Psych Eval	Dr. Martin Atrops	11/27/06	800.00
00052096 Total					1,536.00
00052140	Juneau	Travel	Ak Airlines	12/7/06	506.61
00052140	Juneau	Travel	Ak Airlines	12/20/06	767.92
00052140 Total					1,274.53
00052183	Dillingham*	Escort Travel	Alaska Airlines	9/8-9/06	513.00
00052183	Dillingham*	Escort Hotel	Springhill Suites	9/8-9/2006	80.00
00052183	Dillingham*	Escort Meals	Blinn Dull	9/8-9/06	64.00
00052183	Dillingham*	Escort Travel	Tucker Aviation	09/08/06	190.00
00052183	Dillingham*	Guard Fee	Detec	09/08/06	65.00
00052183	Dillingham*	Client Travel	Alaska Airlines	09/08/06	284.50
00052183	Dillingham*	Client Travel	Tucker Aviation	09/08/06	95.00
00052183 Total					1,291.50
00052324	Fairbanks	Counseling	Counseling/Doug Polmery	7/3/2006	336.00

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COMIS	LOCATION	TYPE of SERVICE	PAYEE	DATE of SVC/TRVL	COST
00052324 Total					336.00
00052488	Kotzebue	Travel	Bering Air	10/10/2006	156.00
00052488	Kotzebue	Travel	Bering Air	10/30/2006	67.00
00052488	Kotzebue	Travel	Bering Air	10/24/2006	258.97
00052488 Total					481.97
00052489	Kotzebue	Travel	Bering Air	10/10/2006	156.00
00052489	Kotzebue	Travel	Bering Air	12/20/2006	113.50
00052489	Kotzebue	Travel	Bering Air	10/30/2006	67.00
00052489	Kotzebue	Travel	Bering Air	10/24/2006	50.00
00052489	Kotzebue	Travel	AK Airlines	11/30/2006	1,217.90
00052489 Total					1,604.40
00052535	Ketchikan	Travel	Ak Airlines	10/25/06	205.00
00052535 Total					205.00
00052764	Juneau	Psych. Eval	John Kesserling	9/19/06	1,500.00
00052764 Total					1,500.00
00052797	Kotzebue	Travel	AK Airlines	7/21/2006	233.00
00052797 Total					233.00
00052798	Kotzebue	Travel	AK Airlines/Bering	7/14/2006	409.00
00052798 Total					409.00
00052831	Kotzebue	Travel	AK Airlines	9/6/2006	300.51
00052831 Total					300.51
00052912	Craig	Travel	Promech	9/27/06	91.00
00052912 Total					91.00
00052959	Anchorage*	Psych Counseling	Dr. Bruce Smith	11/20-5/9/07	290.00
00052959 Total					290.00
00053000	MatSu*	Psych Eval	Dr. Michael Rose	11/02/06	900.00
00053000 Total					900.00
00053081	Kodiak*	Guard Fee	Kenneth Parker	08/08/06	100.00
00053081	Kodiak*	Guard Fee	Detec	08/08/06	76.00
00053081	Kodiak*	Client Travel	Era Aviation	08/08/06	179.00
00053081	Kodiak*	Escort Travel	Era Aviation	08/08/06	341.01
00053081	Kodiak*	Guard Fee	Detec	08/10/06	302.00
00053081	Kodiak*	Client Travel	ERA	08/10/06	196.00
00053081	Kodiak*	Escort Travel	ERA/Alaska Air	08/10/06	559.50
00053081	Kodiak*	Guard Fee	Elinor Ramos	8/6-7/06	250.00
00053081	Kodiak*	Guard Fee	Steve McCormick	8/6-7/06	350.00
00053081	Kodiak*	Guard Fee	Dory Parker	8/6-8/06	575.00
00053081 Total					2,928.51
00053240	Kotzebue	Travel	Bering Air	8/29/2006	719.00

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COMIS	LOCATION	TYPE of SERVICE	PAYEE	DATE of SVC/TRVL	COST
00053240 Total					719.00
00053331	MatSu*	Psych Eval	Dr. Michael Rose	10/06/06	1,350.00
00053331 Total					1,350.00
00053342	Kotzebue	Travel	Bering Air	9/13/2006	770.00
00053342 Total					770.00
00053464	Anchorage*	Monitoring	Alaska Monitoring Services	10/20/06	1,395.00
00053464 Total					1,395.00
00053551	Dillingham*	Guard Fee	Detec	10/13/06	67.50
00053551	Dillingham*	Client Travel	PenAir	10/11/06	387.00
00053551	Dillingham*	Escort Travel	PenAir	10/11/06	469.00
00053551	Dillingham*	Escort Travel	PenAir	10/11/06	225.00
00053551	Dillingham*	Client Travel	Tucker Aviation	10/11/06	95.00
00053551	Dillingham*	Escort Travel	Tucker Aviation	10/11/06	95.00
00053551	Dillingham*	Client Travel	Alaska Airlines	10/13/06	300.51
00053551	Dillingham*	Client Travel	Alaska Airlines	12/21/06	298.50
00053551	Dillingham*	Escort Travel	Alaska Airlines	12/21/06	579.50
00053551 Total					2,517.01
00053617	Dillingham*	Escort Travel	PenAir	10/21/06	469.00
00053617	Dillingham*	Escort Travel	PenAir	10/20/06	225.00
00053617	Dillingham*	Guard Fee	Detec	10/21/06	66.00
00053617	Dillingham*	Client Travel	PenAir	10/21/06	402.00
00053617	Dillingham*	Escort Hotel	Bristol Inn	10/20/06	136.80
00053617	Dillingham*	Escort Meals	Aaron Parker	10/20/06	42.00
00053617	Dillingham*	Guard Fee	Detec	12/01/06	68.50
00053617	Dillingham*	Client Travel	Alaska Airlines	12/01/06	285.00
00053617	Dillingham*	Escort Hotel	Springhill Suites	12/01/06	89.60
00053617	Dillingham*	Escort Meals	Blinn Dull	12/01/06	44.00
00053617	Dillingham*	Escort Travel	Alaska Airlines	12/01/06	285.00
00053617	Dillingham*	Escort Travel	Frontier Flying Service	12/02/06	207.50
00053617 Total					2,320.40
00053705	Kotzebue	Travel	AK Airlines/Bering	12/6/2006	231.00
00053705	Kotzebue	Travel	Frontier Flying	11/3/2006	529.50
00053705 Total					760.50
00053713	Kotzebue	Travel	Frontier Flying	11/3/2006	122.00
00053713	Kotzebue	Travel	AK Airlines/Bering	12/6/2006	523.00
00053713 Total					645.00
Grand Total					86,011.91

FY07 COURT ORDER

Sec. 6(f)

COMIS	LOCATION	TYPE of SERVICE	PAYEE	DATE of SVC/TRVL	COST
			Total in AKSAS Through 12/31/2006		86,011.91
			Dived by 5.5 Months		15,638.53
			Multiplied by 12 months		187,662.36
			Add 10%		18,766.24
			Total amount of Supplemental Request		206,428.59

Change Record Detail With Description
Department of Health and Social Services

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Adult Public Assistance (222)
 RDU: Public Assistance (73)

Scenario/ Change Record	Trans Title Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP

FY2007 Supplemental - Governor

Reduction In Adult Public Assistance Caseload/Costs

	Suppl	-750.0	0.0	0.0	0.0	0.0	0.0	-750.0	0.0	0	0	0
1004	Gen Fund	-750.0										

The Department of Health and Social Services, Division of Public Assistance is offering up a reduction of \$750,000.in general funds from a projected surplus in the Adult Public Assistance formula program due to lower caseload and costs.

The Adult Public Assistance Program (APA) provides access to financial assistance and medical care to elderly and disabled Alaskans. The program was created to supplement Social Security benefits and provides the recipient with the income support needed to remain as independent as possible in the community. To be eligible for APA, a low-income individual must be over 64 years of age, or at least 18 years of age and blind, or diagnosed by a physician as permanently disabled, chronically ill, or terminally ill.

APA program changes helped reduce the rate of APA caseload and expenditure growth in FY04, FY05 and FY06. The rate of caseload increase declined due to a new medical screening process implemented in September 2003, and stricter Supplemental Security Income application criteria that resulted in a reduction in Interim Assistance approvals and expenditures.

Lower than expected formula APA caseloads in FY06 and FY07, together with APA policy changes implemented in July 2004 to implement cost containment measures, will generate APA savings that exceed initially planned levels in FY07.

The attachment gives a caseload summary and a table showing the calculation of the surplus funds.

Totals		-750.0	0.0	0.0	0.0	0.0	0.0	-750.0	0.0	0	0	0
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Sec. 6(g)

Sec. 6(g)

APA Caseload Summary FY03-06

	FY03	FY04	FY05	FY06	FY07
APA Cases	15,429	15,859	16,019	16,356	16,745
Caseload Increase	781	430	160	338	388
Percent Change	5.3%	2.8%	1.0%	2.1%	2.4%
APA Formula Expenditure	\$56,665.6	\$57,137.1	\$54,567.5	\$55,432.5	\$56,981.4
Expenditure Change	\$2,542.6	\$471.5	(\$2,569.6)	\$865.1	\$1,548.8
Percent Change	4.7%	0.8%	-4.5%	1.6%	2.8%

	FY 07	Auth	Projected	Balance
APA	57,731.4	57,731.4	56,981.4	750.0
Total	57,731.4	57,731.4	56,981.4	750.0
Fed	1,030.0	1,030.0	1,030.0	0.0
GF	52,838.4	52,838.4	52,088.4	750.0
PFD HH	<u>3,863.0</u>	<u>3,863.0</u>	<u>3,863.0</u>	<u>0.0</u>
Total	57,731.4	57,731.4	56,981.4	750.0

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2007 Supplemental - Governor (5770)

Component: Senior Care (2760)

RDU: Public Assistance (73)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Senior Care Pharmacy Assistance Caseload/Cost Reduction												
	Suppl	-1,500.0	0.0	0.0	0.0	0.0	0.0	-1,500.0	0.0	0	0	0
1004 Gen Fund		-1,500.0										
<p>The Department of Health and Social Services, Division of Public Assistance is offering up a reduction of \$1,500,000 in general funds from the SeniorCare program.</p> <p>SeniorCare helps low-income elderly Alaskans by providing a cash or prescription drug benefit. The prescription drug component of the SeniorCare program has been used at a lower rate than originally estimated. Survey information indicates that many seniors have other insurance coverage available that reduces their need for the SeniorCare prescription drug benefit.</p>												
Totals		-1,500.0	0.0	0.0	0.0	0.0	0.0	-1,500.0	0.0	0	0	0

Sec. 6(h)

Change Record Detail With Description
Department of Health and Social Services

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Senior and Disabilities Medicaid Services (2662)
 RDU: Senior and Disabilities Services (487)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP

FY2007 Supplemental - Governor

SDS Medicaid Slower Growth Rate/Realized Cost Containment Savings

	Suppl	-5,000.0	0.0	0.0	0.0	0.0	0.0	-5,000.0	0.0	0	0	0
1003 G/F Match		-5,000.0										

The Department of Health and Social Services, Division of Senior and Disability Services (SDS) is offering up a reduction of \$5,000,000 general fund match as a result of a slower rate of growth than originally projected in the Medicaid component.

Recent projections of SDS Medicaid expenditures indicate a slower rate of growth than originally projected for SFY07. Expenditure growth is the result of an increase in caseload which has been mitigated by a decrease in utilization of services. This is mostly due to regulatory changes to the Personal Care Attendant program which resulted in lower utilization of services.

The revised projection of an increase in average monthly number of persons receiving benefits through SDS Medicaid in SFY07 is 9%, down from earlier projections of 15% growth. Under the new Personal Care Attendant program regulations, assessments of need are done using a standardized tool. As a result of these assessments, approximately 11% of clients were determined to be ineligible to receive personal care services.

In SFY07, the average annual expenditure per person is projected to decrease by 6% from \$52,500 to \$49,250. The personal care assessments have resulted in an 11% net weighted average reduction in hours authorized.

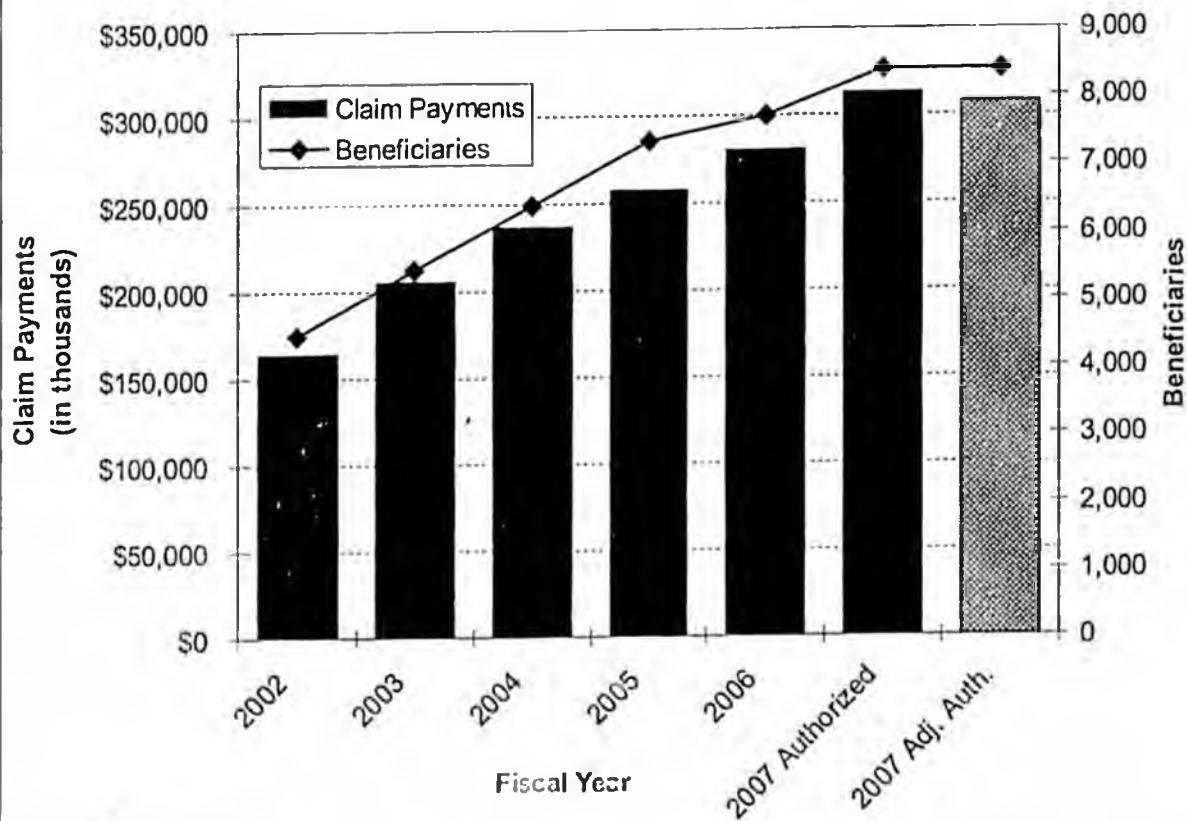
The attached chart shows claim payments and beneficiaries from SFY02 through SFY07.

Totals		-4,200.0	0.0	0.0	0.0	0.0	0.0	-1,200.0	0.0	0	0	0
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Sec. 6(1)(5)

Sec. 6(i)+(j)

Senior and Disabilities Medicaid Services Beneficiaries and Claim Payments



Source: MMIS-JUCE data.

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2007 Supplemental - Governor (5770)

Component: Senior and Disabilities Medicaid Services (2662)

RDU: Senior and Disabilities Services (487)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Dobt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Increase SDPR Authorization for Overpay Recoveries												
	Suppl	800.0	0.0	0.0	0.0	0.0	0.0	800.0	0.0	0	0	0
1108 Stat Desig	800.0											

The Department is requesting \$600,000 additional Statutory Designated Program Receipt authority to comply with provisions of AS 47.05.200(c) related to audits. This provision was established under Chapter 66, SLA 2003 (SB 41 Establishing independent audits) and requires the recovered overpayments from audits to be collected in this manner.

Medicaid is an entitlement program created by the federal government, but administered by the state to provide payment for medical services to low income citizens. People qualify for Medicaid by meeting federal income and asset standards and by meeting specified eligibility categories. Once it has been determined that a client qualifies for Medicaid, payment will be made to the provider for medical expenses. Through the audit process, it may be discovered that there was a claiming discrepancy or an incorrect eligibility determination. Once this finding has been made, the State will bill the agency to collect the overpayment. This payment is received as statutory designated program receipts in the Medicaid component.

The additional statutory designated program receipt authorization will allow the Senior and Disabilities Services Medicaid program to collect and expend revenues above the current authorization.

In calendar year 2006, the department collected \$579.8 for the total Medicaid program as follows:

- \$ 16.9 January through March
- \$125.7 April through June
- \$163.1 July through September
- \$274.1 October through December

See 6/12)

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER
FINANCE AND MANAGEMENT SERVICES

SARAH PALIN, GOVERNOR

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

RECEIVED

March 2, 2007

MAR 07 2007

The Honorable Lyman Hoffman, Co-Chair
The Honorable Bert Stedman, Co-Chair
The Honorable Charlie Huggins, Vice-Chair
Senate Finance Committee
State Capitol, Room 518, 516 and 119
Juneau, AK 99801-1182

COPY

Dear Senators Hoffman, Stedman and Huggins:

In response to your inquires on February 27, 2007 at the SB83 Supplemental hearing, please see the responses below:

The first four questions are in reference to the Fairbanks Virology Laboratory.

➤ *How much of the 24.2 million has been expended?*

The funding source for the \$24.2 million appropriated in FY06 was Certificates of Participation. To date nearly \$1 million has been expended. Funds have been expended for the following:

- Selling of Certificates of Participation
- Architectural and Engineer. Services
- DOT/PF - ICAP and Project Management
- General Contractor Pre-Construction Services
- UAF Building Permits and Administrative Support

➤ *How much has the department used for administrative purposes?*

The Department has not spent any of the appropriation for administrative costs. DOT/PF administrative costs are allowed as bondable costs. DOT/PF ICAP rate is 2% of the project amount. DHSS intends to expend up to \$200.0 from the full project amount of \$30.7 million to offset the cost of DHSS project administration. This is the only administrative expenses that DHSS will have and it is less than 0.7% of the project.

- *Can the state's virology needs be addressed in Juneau, Anchorage or another city? Can it be done cheaper somewhere else?*

The location for the laboratory was looked at extensively during the planning process. We looked at the cost of expanding the Anchorage Laboratory to accommodate virology, as well as locating the laboratory in Fairbanks off campus. No consideration was given to locating it in Juneau since the Department closed the old Juneau laboratory in the late 1990s to increase efficiencies and decrease operational expenses. The cost for adding on to the Anchorage laboratory would have been comparable to building in Fairbanks. However, the benefits of keeping it in Fairbanks would have been compromised.

The driving factor for keeping the laboratory on the Fairbanks campus was the desire for collaboration between the virology staff and UAF researchers. The UAF West Ridge is becoming the research hub in Alaska. The university is expanding its biomedical research program on infectious diseases and sees strong potential for collaboration with the state-operated virology laboratory. The laboratory would be connected to the Biological Research and Diagnosis facility (BiRD). Also, keeping the laboratory in Fairbanks allows for a level of redundancy in the event of a man-made or natural disaster for both the Anchorage and Fairbanks locations. Following the decision to keep the laboratory in Fairbanks, it only made sense to keep it on campus where it would be most beneficial for staff and research.

- *Who is paying for stainless steel apparatuses? Assume more costs coming, who will pay for these?*

The Department of Health and Social Services is responsible for all costs for construction of the laboratory that will be used by the Division of Public Health. This includes all stainless steel apparatuses including fume hoods, bio-safety cabinets, and other equipment.

- *What are the number of residents and the capacity of the Sitka Pioneer Home?*

The Sitka Pioneer Home (SPH) has 63 residents and 75 licensed beds and as of January.

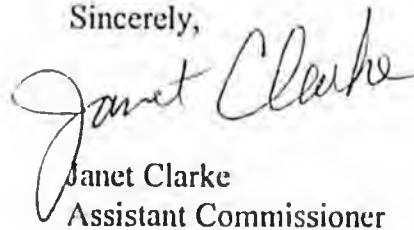
In SFY 07, the SPH had four additional positions (one Registered Nurse and three Certified Nurse Aides) added to their budget and these positions are now filled. Sitka's staff is working at increasing residency. The staff is expected to be able to properly care for 75 residents with the current staffing level.

- *When cost containment was implemented in the interim assistance program, how many people did not qualify for benefits?*

The Division of Public Assistance implemented the in-depth medical review process for Interim Assistance (IA) applicants in September 2003. The Interim Assistance caseload has decreased 56%, from 1,471 IA recipients in August 2003 (the month before the IA medical review process was implemented) to 817 recipients in January 2007.

If you have additional questions regarding this issue, please contact me at 465-1630.

Sincerely,



Janet Clarke
Assistant Commissioner

cc: Senator Kim Elton, Capitol Building, Room 506
Senator Donny Olson, Capitol Building, Room 514
Senator Joe Thomas, Capitol Building, Room 510
Senator Fred Dyson, Capitol Building, Room 121
Karleen Jackson, Commissioner
Anthony Lombardo, Deputy Commissioner
Bill Hogan, Deputy Commissioner
Sherry Hill, Special Assistant
Laura Baker, Budget Chief, Finance and Management Services
Mary Sutton, Budget Analyst, Office of Management and Budget
Gary Zepp, Fiscal Analyst, Legislative Finance
Jay Butler, Director, Division of Public Health
Virginia Smiley, Director, Alaska Pioneer's Homes
Ellie Fitzjarrald, Director, Division of Public Assistance
Arnold Liebelt, Facilities Chief, Finance and Management Services

LAW

Change Record Detail With Description

Department of Law

Scenario: FY2007 Supplemental - Governor (5770)

Component: Deputy Attorney General's Office (2205)

RDU: Civil Division (35)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Judgments and Claims												
	Suppl	92.6	0.0	0.0	92.6	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	92.6											
The actual amount of the FY2007 Judgments and Claims that are finalized as of February 1, 2007 is \$92,509.85.												
Totals		92.6	0.0	0.0	92.6	0.0	0.0	0.0	0.0	0	0	0

Sec. 17(a)(15)

Sec. 7(a)



FY 2007 JUDGMENTS AND CLAIMS

Department of Law

FY07 Judgments & Claims - General Funds

Item #	Case Name	Description	Date	Amount	Interest	Total
1	Robinson & Associates iff Michael Grunert	Supreme Court finding reversing lower court's judgment, holding that Board of Fish regulation illegally allocated within a single fishery.	4/21.06 & 8/2	1,845.27	164.74	2,010.01
2	James B. Gottstein iff Faith Meyers	Public interest litigant status in re: constitutionality and due process issues re administration of psychotropic drugs by API	8/23/2006	82,240.00	5,781.02	88,021.02
3	Baxter, Bruce & Sullivan O'Bryan Baun Cohen Kuebler v.State, Workers' Comp	Ruling that information regarding seafood processing plant employee injuries is not exempt from Alaska Public Records Act (AS 40.25)	1/1/2006	2,206.96	271.86	2,478.82
						92,509.85

RECEIVED

DEC 22 2006

DEPT. OF LAW
ADMIN. SERVICES

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. Please submit this form to the Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3673.

PART ONE

1. Case Name: State of Alaska v. Michael Grunert, et al.
2. Case Number: S-11951/11991
3. Judge/Justices: Alaska Supreme Court
4. Date Judgment entered: Fees: April 21, 2006; Costs: August 23, 2006
5. Did the date of the cause of action accrue on or after August 7, 1997? Yes.
6. Amount to be paid: \$1,250 (Fees) + \$595.27 (Costs) = \$1,845.27 (Total)
7. Interest Rate: 8.25% Effective Date: Fees: 4/21/06; Costs 8/23/06
8. Requested hourly rate and total compensation of attorneys to be paid: No fees are normally requested on appeal.
9. Court approved/ordered hourly rate and total compensation of attorneys to be paid: Fees: Routine award of \$1,250 for appeal; court ordered costs of \$595.27.
10. Payable to: Robinson & Associates, in trust for Michael Grunert, 35401 Kenai Spur Highway, Soldotna, Alaska 99669
11. EIN: 571151089 or SSN: Submit separately
12. Send check to: above address Departmental contact: _____

Departmental attorney contact:
Lance B. Nelson
Lance B. Nelson, Sr. Ass't Atty. Gen.

(907) 269-5241
Telephone Number

Departmental Approval:
Craig J. Tilley
Deputy Attorney General
12/22/06
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: State of Alaska v. Michael Grunert, et al.

Case No.: S-11951/11991

1. Describe the circumstances or events resulting in this case and ultimately this judgment/settlement against the State. The plaintiffs filed a complaint challenging the validity of the emergency regulation adopted by the Board of Fisheries to reestablish a cooperative commercial salmon fishery in Chignik. The superior court agreed with plaintiffs' arguments that the changes in the regulation were not sufficient to cure the lack of statutory authority for the co-op regulation cited by the Alaska Supreme Court in an earlier case challenging the original co-op regulation, *Grunert v. State*, 109 P.3d 924 (Alaska 2005) (*Grunert I*), and granted summary judgment to the plaintiffs. The superior court entered final judgment, including costs and attorney fees as outlined in part one of this form). Although the Alaska Supreme Court granted our motion to stay the superior court's judgment for the 2005 season, the Court eventually affirmed the lower court's judgment on appeal, effectively removing any possibility of a valid cooperative fishery regulation, and requiring the payment of costs and fees as requested here. The Supreme Court opinion issued on April 21, 2006. Although a petition for rehearing was not decided until August 22, 2006, and the issues in the petition for rehearing would not have changed the result.

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 involved the authority of the Board of Fisheries to adopt a regulation, presumed valid, to establish a framework for a voluntary cooperative commercial salmon fishery in an effort to keep the fishery economically viable for as many participants as possible. This was a novel legal question that required many hours of research and writing and preparation of exhibits, as well as preparation for, and presentation of, oral arguments before the supreme court.

3. Did the State prevail on any issues? If so, describe. The state prevailed in the superior court on two issues: (1) the adequacy of the Board's finding of emergency, and (2) the reasonableness of the Board's determination that the emergency regulation allocated fish between two separate fisheries, rather than within one fishery. On appeal, the Supreme Court ultimately agreed with us that the emergency finding issue was moot, but reversed the lower court's judgment in the allocation issue, holding that the regulation illegally allocated within a single fishery.

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. No, the hours and rates were reasonable and consistent with Civil Rule 82 and cases interpreting it.

5. What was the source of the State's liability in this case? The Board of Fisheries lack of clear statutory authority to adopt a cooperative fishery regulation.

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? The Board has repealed two regulations that were inconsistent with the Supreme Court's opinion.

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 Board of Fisheries repealed a similar permanent regulation it had adopted after the expiration of the 2005 emergency regulation and another similar regulation for the Nunivak Island herring fishery.

8. Any recommendations concerning cases of this type in the future? We should keep in mind that the Alaska Supreme Court will give very close scrutiny to any commercial fishing regulation that allows a type of fishing that it deems to be a radical departure from the historical model of commercial fishing, and likely invalidate such regulations.

9. Any recommendations for changes in statutes, regulations or policy? Cite any applicable statutes or regulations. Yes, the Department of Fish and Game and the Board of Fisheries should seek a legislative amendment to clarify that the Board can allocate within a fishery for reasonable purposes.

Attorney completing form:

Lance B. Nelson

Senior Assistant Attorney General
Title

Date:

December 21, 2006

(907) 269-5241
Phone Number

Order Regarding Fees and Costs

State of Alaska, Board of Fisheries, Fish & Game v. Michael Grunert, et al.

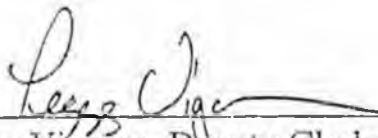
Supreme Court No. S-11951/S11991

Date of Order: 4/21/06

Under Appellate Rules 508(e) and (f)(1), attorney's fees of \$1250.00 are awarded to the appellees/cross-appellants. On or before 5/1/06, the appellees/cross-appellants shall serve and file with this court an itemized and verified bill of costs.

Entered at the direction of an individual justice on 4/21/06.

Clerk of the Supreme Court


Peggy Vigoren, Deputy Clerk

cc: Authoring Justice
Trial Court Appeals Clerk/Anchorage

Distribution:

Lance B Nelson
Asst Attorney General
1031 West Fourth Avenue, Suite 200
Anchorage AK 99501

Arthur S Robinson
Robinson & Associates
35401 Kenai Spur Highway
Soldoma AK 99669

Gregory F Cook
Attorney at Law
P O Box 240613
Douglas AK 99824

Grunert

RECEIVED

AUG 23 2006

In the Supreme Court of the State of Alaska

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
3RD JUDICIAL DISTRICT
ANCHORAGE, ALASKA

State of Alaska, Board of Fisheries,)
Fish & Game,)

) Supreme Court No. S-11951/S-11991

Appellants/Cross-Appellees,)

v.)

Michael Grunert, et al.,)

Appellees/Cross-Appellants.)

Order
Costs and Fees

Date of Order: 8/23/06

Trial Court Case # 3AN-05-07909CI

On consideration of the cost bill, filed on 4/26/06, and no opposition having been filed,

IT IS ORDERED:

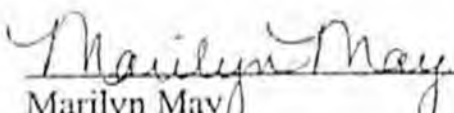
1. Appellants/Cross-Appellees shall pay \$595.27 for the following costs:

Filing fee in S-11991	\$150.00
Copies of briefs	\$112.92
Postage for briefs	\$ 48.85
Printing of briefs	\$283.50
Total	\$595.27

2. Check number 149028 in the amount of \$750.00 is sent to the Appellees/Cross-Appellants for return of the cost bond in S-11991.

Entered under Appellate Rule 508.

Clerk of the Appellate Courts


Marilyn May

Supreme Court Order dated 8/23/06
In re: *State v. Grunert*
S-11951/S-11991
page 2

Distribution:

Lance B Nelson
Asst Attorney General
1031 West Fourth Avenue, Suite 200
Anchorage AK 99501

Arthur S Robinson
Robinson & Associates
35401 Kenai Spur Highway
Soldotna AK 99669

Gregory F Cook
Attorney at Law
P O Box 240618
Douglas AK 99824

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

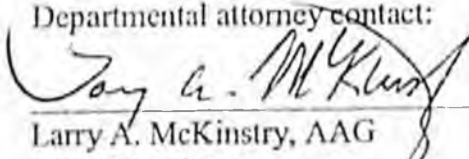
(Please Type)

**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. Please submit this form to the Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3673.

PART ONE

1. Case Name: O'Bryan Baun Cohen Kuebler v. SOA Div. of Workers Comp.
2. Case Number: 1JU-05-557 CI
3. Judge/Justices: Larry Weeks
4. Date Judgment entered: 8/28/06
5. Did the date of the cause of action accrue on or after August 7, 1997? Yes.
6. Amount to be paid: \$2206.96 (2052.80 fees + 154.16 costs).
7. Interest Rate: 6.25 %
8. Effective Date: January 1, 2006
9. Requested hourly rate and total compensation of attorneys to be paid: \$2052.80 (\$200 per hour).
10. Court approved/ordered hourly rate and total compensation of attorneys to be paid: \$2052.80 (\$200 per hour).
11. Payable to: O'Bryan Baun Cohen Kuebler c/o DANIEL G. BRUCE, ESQ., BAXTER BRUCE & SULLIVAN, P.C., P.O. BOX 32819 JUNEAU, AK 99803
12. EIN: Submit separately or SSN: Submit separately
12. Send check to: above address

Departmental attorney contact:


Larry A. McKinstry, AAG
907-269-5178
10/16/06

Date

Departmental Approval:

Deputy Attorney General

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: O'Bryan Baun Cohen Kuebler v. SOA Div. of Workers Comp.

Case No.: 1JU-05-557 CI

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

A public records request for Report of Injury forms concerning seafood processor employees was received by the Department of Labor and Workforce Development, Division of Workers' Compensation from an out-of-state law firm. Apparently, the firm intended to use the information to contact seafood processor employees and offer to represent them in Jones Act cases concerning injuries they may have suffered during the course of their employment in the seafood processing industry.

Because of concerns related to the privacy of the employees and the potential solicitation of clients by the firm, the division made a determination that the information was confidential and protected from disclosure. The law firm sued the division claiming a right to the information under the Alaska Public Records Act. (AS 40.25) Upon cross-motions for summary judgment, the superior court ruled that the information was not exempt from disclosure under the Alaska Public Records Act.

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 Department of Labor and Workforce Development maintains Report of Injury forms that contain the names, addresses and telephone numbers of employees who have been injured in the course of employment. The information is not clearly exempted from disclosure under the Alaska Public Records Act. (AS 40.25) Despite that fact, the Department was concerned about releasing such information to private parties for use in soliciting clients. The Department pursued a change in legislation to protect information contained in its files from use for "commercial purposes" [AS 23.30.107(c)] Despite the change in the law, the superior court

determined that the law was ineffective to protect the names, addresses and telephone numbers of injured employees from disclosure.

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

The State did not prevail on any of the substantive issues in the case.

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.

In addition to the usual Rule 82 fees award, plaintiff sought full fees for any future efforts to collect the Rule 82 award. The Department of Law opposed this additional request. The court denied plaintiff's request for prospective relief.

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

Alaska Civil Rules 68 and 82 provide for an award of costs and attorney fees to prevailing parties in civil cases.

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?

The Department of Labor and Workforce Development has introduced legislation to exempt information in workers' compensation files from disclosure under the Alaska Public Records Act. Until such time as the legislature acts, the Department must comply with the holding of the superior court and disclose the information.

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 Department of Labor and Workforce Development is seeking legislation to protect the confidentiality of this information.

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

This was a somewhat unique factual setting that should not recur. The Department of Labor and Workforce Development should pursue statutory protection for information it feels should not be made available under the Alaska Public Records Act.

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

As indicated in 8., the Department of Labor and Workforce Development should pursue changes to AS 23.30.107 and AS 40.20.120 to provide clear protection for sensitive information in workers' compensation files.

Attorney completing form:

Jerry A. McKinnis
Assistant Attorney General

Date:

10/16/06
(907) 269-6612
Phone Number

August 28, 2006
TV

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
FIRST JUDICIAL DISTRICT AT JUNEAU

O'BRYAN BAUN COHEN KUEBLER,)
Plaintiff,)

vs.)

PAUL F. LISANKIE, DIRECTOR OF)
DIVISION OF WORKERS')
COMPENSATION, DEPARTMENT OF)
LABOR AND WORKFORCE)
DEVELOPMENT, STATE OF ALASKA,)
JOHN DOES 1-10, EMPLOYEES OF)
THE STATE OF ALASKA,)
Defendants.)

RECEIVED

AUG 30 2006

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
3RD JUDICIAL DISTRICT
ANCHORAGE, ALASKA

Case No. 1JU-05-557 CI

ORDER ON MOTION FOR ENTRY OF FINAL JUDGMENT

On Cross Motions for Summary Judgment, plaintiff law firm O'Bryan Baun Cohen Kuebler prevailed. Plaintiff's original complaint prayed for declaratory and injunctive relief.¹ Plaintiff moved for entry of final judgment and for attorney's fees. Plaintiff sought an award for attorney's fees before the date of the Offer of Judgment (December 7, 2005) pursuant to Civil Rule 82 and after that date pursuant to Civil Rule 68. Defendant Lisankie opposed and plaintiff replied.

¹ Complaint at 3.

The court ruled pursuant to Rule 68 (c) that plaintiff can receive the greater of Rule 82 or Rule 68 fees, but not both. The court requested that plaintiff submit comparative cost information to enable the court to determine which rule should apply.

Plaintiff submitted a memo and exhibit to indicate that an award under Rule 82 (b) (2) was appropriate. The documents indicated plaintiff is entitled to receive \$2,052.80 under Rule 82 (b) (2) plus court costs in the amount of \$154.16.

Defendant did not oppose an award of \$2,052.80 (fees) and \$154.16 (costs).

Defendant did oppose language in plaintiff's proposed order that acknowledged,

Plaintiff is awarded his future actual costs and fees incurred in collecting on this judgment, after such costs and fees are ratified by the court as they are incurred.

Plaintiff's Reply to Defendant's Opposition to Plaintiff's Motion for Entry of Final Judgment and Memorandum of Law in Support Thereof discussed certain cases and circumstances where the court awarded a prevailing party post-judgment attorney's fees incurred in attempts to collect upon a final judgment,² or to reduce a prior obligation to a final judgment.³ The court does not dispute the appropriateness of a post-judgment attorney's fee award under those circumstances.

In the instant matter, the issue of post-judgment attorney's fees is not ripe. Should plaintiff incur any "future actual costs and fees" in collecting upon the judgment, plaintiff

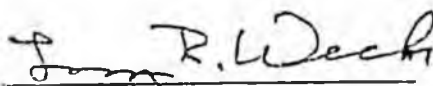
² *Torrev v. Hamilton*, 872 P.2d 186 (Alaska 1994).

³ *Saltz v. Saltz*, 903 P.2d 1070 (Alaska 1995).

may, at that time, move the court for an award of post-judgment fees. At the present time, the court will not award plaintiff post-judgment attorney's fees.

Plaintiff is awarded \$2,052.80 in attorney's fees plus costs in the amount of \$154.16.

Dated this 28TH day of August, 2006, at Juneau, Alaska.



Larry R. Weeks
Superior Court Judge

CERTIFICATION OF SERVICE

I certify that I served the following parties on the 28 day of August, 2006:

Daniel Bruce
By Courtbox.

Judith Crowell
Assistant Attorney General
Department of Law
Office of the Attorney General
Anchorage Branch
1031 W. Fourth Avenue, Suite 200
Anchorage, AK 99501



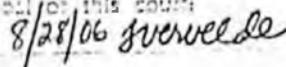
Tracy Ver Velde
Professional Assistant to Judge Weeks

Alaska Court System
Page 3

KUEBLER v. LISANKIE et. al.
1JU-05-557 CI
Order on Motion for Entry of Final Judgment



I hereby certify that on this day in the Alaska
Judicial Branch of the Courts at Juneau,
Witness my hand and the
seal of this court

8/28/06 

RECEIVED

In the Supreme Court of the State of Alaska 8/25/06

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
3RD JUDICIAL DISTRICT
ANCHORAGE, ALASKA

Faith J. Myers,)
)
 Appellant,)
)
 v.)
)
 Alaska Psychiatric Institute,)
)
 Appellee.)

Supreme Court No. S-11021

Order
Attorney's Fees

Date of Order: 8/23/06

Trial Court Case # 3AN-03-00277PR

On consideration of the appellant's 7/7/06 motion for full reasonable attorney's fees, and the 7/21/06 response to application for full reasonable fees,

IT IS ORDERED:

The motion is **GRANTED**. The appellee shall pay appellant \$82,240.00 for attorney's fees.

Entered by direction of an individual justice.

Clerk of the Appellate Courts

Marilyn May
Marilyn May

cc: Trial Court Clerk/Anchorage

Distribution:

James B. Gottstein
Law Office of James Gottstein
406 G Street #206
Anchorage AK 99501

Michael Hotchkin
Assistant Attorney General
1031 West 4th Avenue Suite 200
Anchorage AK 99501

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. Please submit this form to the Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3673.

PART ONE

1. **Case Name:** Faith J. Myers v. Alaska Psychiatric Institute.
2. **Case Number:** S-11021.
3. **Judge/Justices:** Superior court: Judge Christen. Supreme court: Unanimous decision authored by Justice Bryner.
4. **Date Judgment entered:** August 23, 2006.
5. **Did the date of the cause of action accrue on or after August 7, 1997?** Yes.
6. **Amount to be paid:** \$82,240.00
7. **Interest Rate:** 8.25% **Effective Date:** 8/23/06
8. **Requested hourly rate and total compensation of attorneys to be paid:** This entire award is for full reasonable attorneys fees for a public interest litigant. The rate is \$225/hr. The attorney requested that his full rate be enhanced by a 2x multiplier, for a total request of \$164,480.00.
9. **Court approved/ordered hourly rate and total compensation of attorneys to be paid:** The court awarded the full reasonable fee of \$225/hr. with no multiplier, for a total award of \$82,240.00.
10. **Payable to:** James B. Gottstein, Law Project for Psychiatric Rights, Inc., 406 G Street #206, Anchorage, AK 99501, in trust for Faith J. Myers.

RECEIVED

AUG 23 2006

DEPT. OF LAW
ALASKA

11. EIN: Submit separately

or SSN: Submit separately

12. Send check to: above address

Departmental contact:

Departmental attorney contact:

Departmental Approval:

Michael G. Hotchkin

Michael G. Hotchkin

Signature

Craig J. Tilley

Deputy Attorney General

907-269-5235

Telephone Number

8/29/06

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: Faith J. Myers v. Alaska Psychiatric Institute.

Case No.: S-11021.

1. Describe the circumstances or events resulting in this case and ultimately this judgment/settlement against the State. Faith Myers was involuntarily committed to Alaska Psychiatric Institute (API), a state mental health treatment facility. API wished to administer psychotropic medication to Myers, who did not consent to receive the medication. API acted in accordance with AS 47.30.836 and .839 by applying to the superior court for an order authorizing involuntary administration of psychotropic medication in a non-emergency situation. The statutes provide in relevant part that if the court finds that the patient is incapable of granting informed consent to the proposed medication, "the court shall approve the facility's proposed use of psychotropic medication."

The superior court found that Myers lacked capacity to grant informed consent, and it therefore approved API's petition. However, the court expressed concerns that Alaska's statutory scheme prevented it from considering the merits of API's treatment plan, or weighing the objections of Myers's expert witnesses to the proposed treatment. Because the statute unambiguously limits the court's role to deciding whether the patient has sufficient capacity to give informed consent, the court felt constrained to adhere to its literal meaning and approve the proposed medication plan. The court stayed its order to give Myers an opportunity to appeal. Myers was shortly thereafter released from API without having been medicated, but she nevertheless pursued the supreme court appeal, alleging that the statutory scheme violated her constitutional privacy and due process rights.

The state argued that Myers's appeal should be dismissed on mootness grounds, but the supreme court disagreed, holding that the public interest exception to mootness applied. Myers's attorney represented her *pro bono*, under the auspices of The Law Project for Psychiatric Rights, an organization that is described in its web site as "a non-profit, tax exempt 501(c)(3) organization, [with] a mission to bring fairness and reason into the administration of legal aspects of the mental health system, particularly unwarranted court ordered psychiatric drugging."

The supreme court ultimately ruled in Myers's favor, holding that the Alaska Constitution prohibits a court from approving a mental health treatment facility's request to administer psychotropic medication to an incompetent patient in a non-emergency situation "unless the court makes findings that comply with all applicable statutory requirements and, in addition, expressly finds by clear and convincing evidence that the proposed treatment is in the patient's best interests and that no less intrusive alternative is available." These latter two findings are not required by state statutes.

The award described herein is for Myers's attorney's fees as a public interest litigant.

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. See answer to no. 1.
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 supreme court initially awarded Myers \$750 in fees, "unless her attorney applies for an award of full reasonable fees as a public interest litigant." The attorney applied for full reasonable fees. We did not challenge Myers's status as a public interest litigant. The attorney's hourly rate was in line with the services rendered, and his hours were not unreasonable, so we did not challenge either. The attorney requested that the court enhance his award with a 2x multiplier, so as to allow the non-profit corporation to continue to bring litigation in the public interest. We successfully opposed this request.
5. What was the source of the State's liability in this case? The supreme court held that the state mental health statute governing non-emergency administration of psychotropic medication to incompetent mental patients violates two provisions of the Alaska Constitution.
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? The superior court and API are complying with the supreme court's directive, and psychotropic medication is not being administered to incompetent mental patients in non-emergency situations without each of the requisite findings being made. In addition, the Human Services Section of the Department of Law is working on legislation to bring AS 47.30, specifically subsections .836 and .839, into line with the supreme court's decision.
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. See answer to #6, above.

8. Any recommendations concerning cases of this type in the future? The Department of Law is obligated to defend against constitutional challenges to state statutes.
9. Any recommendations for changes in statutes, regulations or policy? Cite any applicable statutes or regulations. See answer to #6, above.

Attorney completing form:

Michael G. Hotchkin

Senior Assistant Attorney General
Title

Date:

August 28, 2006

907-269-5235
Phone Number

RECEIVED
AUG 28 2006
DEPT. OF LAW
ALABAMA SERVICES

RECEIVED

In the Supreme Court of the State of Alaska

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
3RD JUDICIAL DISTRICT
ANCHORAGE, ALASKA

Faith J. Myers,)
)
 Appellant,)
)
 v.)
)
 Alaska Psychiatric Institute,)
)
)
 Appellee.)

Supreme Court No. S-11021

Order

Attorney's Fees

Date of Order: 8/23/06

Trial Court Case # 3AN-03-00277PR

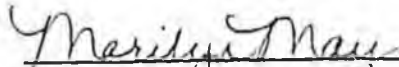
On consideration of the appellant's 7/7/06 motion for full reasonable attorney's fees, and the 7/21/06 response to application for full reasonable fees,

IT IS ORDERED:

The motion is GRANTED. The appellee shall pay appellant \$82,240.00 for attorney's fees.

Entered by direction of an individual justice.

Clerk of the Appellate Courts


Marilyn May

cc: Trial Court Clerk/Anchorage

Distribution:

James B. Gottstein
Law Office of James Gottstein
406 G Street #206
Anchorage AK 99501

Michael Hotchkin
Assistant Attorney General
1031 West 4th Avenue Suite 200
Anchorage AK 99501

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ADMIN. SERVICES

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. Please submit this form to the Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3673.

PART ONE

1. Case Name: State of Alaska v. Michael Grunert, et al.
2. Case Number: S-11951/11991
3. Judge/Justices: Alaska Supreme Court
4. Date Judgment entered: Fees: April 21, 2006; Costs: August 23, 2006
5. Did the date of the cause of action accrue on or after August 7, 1997? Yes.
6. Amount to be paid: \$1,250 (Fees) + \$595.27 (Costs) = \$1,845.27 (Total)
7. Interest Rate: 8.25% Effective Date: Fees: 4/21/06; Costs 8/23/06
8. Requested hourly rate and total compensation of attorneys to be paid: No fees are normally requested on appeal.
9. Court approved/ordered hourly rate and total compensation of attorneys to be paid: Fees: Routine award of \$1,250 for appeal; court ordered costs of \$595.27.
10. Payable to: Robinson & Associates, in trust for Michael Grunert, 35401 Kenai Spur Highway, Soldotna, Alaska 99669
11. EIN: 571151089 or SSN: Submit separately
12. Send check to: X above address Departmental contact: _____

Departmental attorney contact:
Lance B. Nelson
Lance B. Nelson, Sr. Ass't Atty. Gen.

Departmental Approval:
Craig J. Tilley
Deputy Attorney General

(907) 269-5241
Telephone Number

12/22/06
Date

Change Record Detail With Description

Department of Law

Scenario: FY2007 Supplemental - Governor (5770);
 Component: Administrative Services (2164)
 RDU: Administration and Support (280)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
FY2006 Miscellaneous Claims												
	Suppl	6.3	0.0	1.7	4.6	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	6.3											
Funds needed to pay prior year bills not received in time for payment. Total amount of unpaid bills in hand as of February 8, 2007 is \$6,254.47.												
Employee moving expenses - \$1,581.05; Employee mileage reimbursement - \$47.89; Unpaid consulting contracts - \$4,200.00; Unpaid hotel rooms for employee travel - \$349.28; Unpaid copier maintenance - \$76.25.												
Totals		6.3	0.0	1.7	4.6	0.0	0.0	0.0	0.0	0	0	0

Sec. 7(a)

NATURAL RESOURCES

Change Record Detail With Description

. Department of Natural Resources

Scenario: FY2007 Supplemental - Governor (5770)

Component: Claims, Permits & Leases (2460)

RDU: Resource Development (136)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Geologist Class Study Implementation												
	Suppl	79.4	79.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	79.4											
<p>The Geologist class study was completed in June 2006 and resulted in position upgrades or a raise in salary range for ten positions in the division, all within the Claims, Permits and Leases component. These increased costs were not known when the FY07 budget was requested.</p> <p>The division is unable to absorb these increases since we are also trying to absorb the one-time funding reduction in the Director's Office component that the legislature took for the Boundary Fire overexpenditures. In addition, the division is also trying to cover a shortfall of Receipt Supported Services (RSS) in the Water Development component.</p> <p>If this supplemental is approved, the division will be able to retain all existing staff and will not experience any negative program impacts.</p> <p>If the supplemental is not approved, the Division will have to reduce at least one permanent fulltime position, causing a reduction on the Division's ability to authorize use and development of state land. If notice is not received early enough that a supplemental will not be approved, the Division may have to lay off more than one position to make up the shortfall in a shorter period of time.</p>												
Totals		79.4	79.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

See 8/2/11

Change Record Detail With Description

, Department of Natural Resources

Scenario: FY2007 Supplemental - Governor (5770)

Component: Geological Development (1031)

RDU: Resource Development (136)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Geologist Class Study Implementation												
	Suppl	114.8	114.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	114.8											
<p>The Geologist class study was completed in June 2006 and resulted in position upgrades or a raise in salary range for all the Georlogists in the division. The division is unable to absorb these increases within the current FY 07 authorization. The increased cost breakdowns would normally be charged as follows: \$70.9 GF, \$12.9 I/A and \$31.0 CIP receipts (federally funded capital projects). Due to the timing of the classification results we were unable to modify the federal grants and interagency receipt agreements for FY07 and therefore will have a shortfall of \$114.8.</p>												
Totals		114.8	114.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Sec. 8(a)(2)

AP/AL: Appropriation Project Type: Planning
 Category: Development
 Location: Mat-Su Areawide Contact: Nico Bus
 House District: Matsu Areawide Contact Phone: (907)465-2406
 Estimated Project Dates: 03/01/2007 - 06/30/2008

Brief Summary and Statement of Need:

The Mat-Su Borough has offered to fund State Parks' preparation of a master interpretive plan for the South Denali Visitor Center complex.

Funding:	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total
Stat Desig	\$100,000						\$100,000
Total:	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000

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

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

This is a new project request.

Project Description/Justification:

The Mat-Su Borough recently offered to fund State Parks for the development of a master interpretive plan for the South Denali Visitor Center complex.

The interpretive plan will be a professional services agreement with a firm specializing in visitor center master interpretive planning. State Parks will oversee the Request for Proposal (RFP) process and the agreement with the successful contractor. The plan is to start the RFP process in March, have a qualified firm begin working in April, and have a finished product within FY08.

Spending of the \$100,000 statutory designated program receipts from the Mat-Su Borough will span two fiscal years. Approximately \$30,000 will be spent in FY07, requiring this supplemental capital project request. The remaining approximately \$70,000 will be spent in FY08.

Specific spending detail:

- 71000 personal services - \$13,000, for contract oversight and management and some design work.
- 72000 travel - \$2,000, for on-site travel associated with contract oversight.
- 73000 services - \$85,000 for contractor plan development.

PUBLIC
SAFETY

Prevention of Domestic Violence and Sexual Assault

FY2007 Request: ^{5LL, 7} \$5,000,000
 Reference No: 43266

AP/AL: Appropriation
 Category: Public Protection
 Location: Statewide

Project Type: Health and Safety

Contact: Dan Spencer, Director, Administrative Services

House District: Statewide

Contact Phone: (907)465-5488

Estimated Project Dates: 03/01/2007 - 06/30/2011

Brief Summary and Statement of Need:

This project will fund domestic violence and sexual assault prevention programs in the areas of prosecution, law enforcement, judicial services, and victim services. Funding comes from a federal grant provided through a U.S. Department of Justice, Violence Against Women Act (VAWA) Stop Grant.

Funding:	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total
Fed Rcpts	\$5,000,000						\$5,000,000
Total:	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$5,000,000

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

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

Project Description/Justification:

The U.S. Department of Justice has awarded the Council on Domestic Violence and Sexual Assault (CDVSA) a Violence Against Women Act (VAWA) Stop Grant earmark of \$5 million for prevention of domestic violence and sexual assault in the state of Alaska. CDVSA funds 20 victim service programs statewide.

The terms of the grant require funds be allocated for prosecution, 25%; law enforcement, 25%; judicial services, 5%; victim services, 30%; and as a discretionary portion, 15%. The state has agreed to the following distribution:

- Department of Law, 25%
- Department of Public Safety, 25%
- Alaska Court System, 5%
- victim services, 30%, and
- discretionary, 15%

The Department of Law plans to introduce innovative training for domestic violence cases and provide expert witnesses to their district attorneys and staff.

The Department of Public Safety will pay for the cost of law enforcement initiated medical forensic sexual assault exams for victims, to provide Sexual Assault Response Team (SART) and Sexual Assault Nurse Examiner (SANE) training conferences across the state with a focus on rural Alaska, and to provide necessary and up-to-date equipment for the SART centers around the state. Funding will also be used to provide travel assistance to conference attendees.

The Alaska Court System intends to use the funds to enhance its outreach to institutions and stakeholders involved in domestic violence issues, to increase its capacity to respond to system-wide concerns, and to proactively consider changes that would enhance all aspects of the domestic violence litigation process. To accomplish these goals, the Alaska Court System will hire a dedicated staff person in the central administrative office to coordinate domestic violence issues and initiatives.

Victim service programs and the discretionary portion will be awarded by the Request for Proposal (RFP) process. The proposals presented by the programs must be in the 14 statutory areas of accepted use for these funds as defined by VAWA.

CDVSA will receive administrative funds to process these grants, to be equally spread over the term of the grant.

DEPT. OF
REVENUE

Change Record Detail With Description

Department of Revenue

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Permanent Fund Dividend Division (981)
 RDU: Taxation and Treasury (510)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP

FY2007 Supplemental - Governor

myAlaska Online PFD Application Support Costs

	Suppl	70.0	0.0	0.0	70.0	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund	70.0											

A web service called "myAlaska" is used by PFD Division to validate online applicants and to provide the electronic signature function necessary for receiving online PFD applications. This service is provided by Department of Administration, Enterprise Technology Services (ETS). For the first few years of myAlaska operation, DOA did not charge user agencies for support costs. Beginning in FY2007, myAlaska support costs are being charged back to the agencies that use the service. The estimated cost of myAlaska for FY2007 is \$70.0.

Hearing Officer Chargeback Cost Increases

	Suppl	60.0	0.0	0.0	60.0	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund	60.0											

The PFD Division requests supplemental funding to pay for Department of Administration's Office of Administrative Hearing (OAH) hearing officers to hear PFD appeals, a service that was provided in-house until FY2006.

PFD Division was appropriated \$119.8 to pay the annual OAH chargeback. The FY2006 cost was \$170.5 and the division received a supplemental appropriation of \$49.9 to help cover the cost.

PFD Division records indicate that the appeal workload will meet or exceed that of FY2006. Based on case hours for FY2006 billed at FY2007 rates, the division projects the need for an additional \$60.0 to cover these chargeback costs for FY2007.

Sec. 10(b)

Change Record Detail With Description

Department of Revenue

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Permanent Fund Dividend Division (981)
 RDU: Taxation and Treasury (510)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
PFD Data Loss and Recovery												
	Suppl	220.7	128.4	0.0	71.8	0.0	20.5	0.0	0.0	0	0	0
1050 PFD Fund	220.7											
<p>In early July 2006, over 700,000 images of paper documents in PFD's imaging database were deleted in error and could not be recovered. Those images were needed to complete the eligibility processing of 2006 PFD applications. PFD employees were redirected to work on the data recovery operation; the division was able to re-image and re-link the paper documents and recovery was essentially complete mid August. All units' eligibility employees then focused on working the thousands of delayed eligibility reviews, striving to meet the 2006 dividend's posted mass payment dates in October (by direct deposit) and November (by warrant). The division was able to pay 99.6% of eligible applicants on time, however a significant backlog of informal appeals remains. Although resource allocation and prioritization were utilized, significant overtime and seasonal employee extension costs were incurred as a result of the data loss and recovery effort.</p> <p>Personal services costs for overtime and call-back of seasonal employees for recovery efforts are estimated at \$128.4. Contractual costs, including Microsoft's fee for its services and efforts to prevent a recurrence, are estimated at \$71.8. In order to process and safely store the uploaded images in a reasonable amount of time, the division purchased two Dell servers, tape drives, tapes, additional image recognition licenses, scanner supplies and maintenance at a cost of \$20.5. In total, the division requests supplemental funding of \$220.7 to cover the unanticipated costs due to the loss of PFD data and subsequent recovery efforts.</p>												
Totals		350.7	128.4	0.0	201.8	0.0	20.5	0.0	0.0	0	0	0

Sec. 10(b)

Change Record Detail With Description

Department of Revenue

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Child Support Services Division (111)
 RDU: Child Support Services (41)

Scenario/ Change Record	Trans Title	Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions				
											PFT	PPT	NP		
FY2007 Supplemental - Governor															
Additional Federal Incentive Receipts Available															
	Suppl		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0		
1016 Fed Incent		181.7													
1156 Rcpt Svcs		-181.7													
<p>The Child Support Services Division (CSSD) earned additional federal incentive dollars by meeting the established federal performance incentives during a prior federal fiscal year. Due to the complexity of the federal incentive system and the amount of time required by the federal government to audit, validate and compute the incentives, the amount of incentive money the state will receive is not known until a year or more after the incentive statistics have been submitted to the federal government.</p> <p>This request will enable the division to use the available federal incentive receipts in place of a like amount of state Receipt Supported Services. During FY2007, federal incentive receipts can also be used by CSSD as match to federal receipts under the Child Support Enforcement program; the current state match requirement is 34%.</p>															
Totals			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0		

Sec. 106(a)(1)

Change Record Detail With Description

DRAFT

Department of Revenue

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Long Term Care Ombudsman Office (2749)
 RDU: Alaska Mental Health Trust Authority (47)

Scenario/ Change Record	Trans Title	Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
											PFT	PPT	NP
FY2007 Supplemental - Governor													
Replace Unrealizable Fund Source													
	Supl		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004	Gen Fund		38.3										
1007	I/A Rcpts		-38.3										
Totals			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

The Long Term Care Ombudsman (LTCO) program is funded by an RSA with the Department of Health and Social Services (DH&SS), Division of Senior and Disability Services. DH&SS was provided with federal receipt authority and general fund match in order to support the program from their Title III and Title VII federal funding.

The ability of DH&SS to support the LTCO has not kept pace with the increases in the personal services costs of running this program. This request would replace the unrealizable portion of inter-agency receipts with general fund and enable the program to operate through the end of FY2007 at the current level of service.

Sec. 106)

TRANSPORTATION

Change Record Detail With Description

Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)

Component: Measurement Standards & Commercial Vehicle Enforcement (2332)

RDU: Measurement Standards & Comm Vehicle Enforcement (335)

Scenario/ Change Record	Trans Title Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Increased operating costs												
	Suppl	70.0	0.0	0.0	70.0	0.0	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs	70.0											
<p>Funding is needed to increase receipt supported services for annual membership in the North American Preclearance and Safety System (NORPASS). NORPASS partners work together to deploy mainline screening systems at weigh stations, thus allowing safe and legal trucks to proceed unimpeded while enforcement resources are focused on high-risk motor carriers. (\$15.0)</p> <p>Funding is also needed for annual fees for maintenance of the Commercial Vehicle Information Exchange Window (CVIEW) server and QUERY windows software updates. CVIEW is the application and data repository used with the Commercial Vehicle Identification System and Networks (CVISN). This system provides credentials administration, systems for roadside safety information and electronic screening. CVIEW allows a user interface to display credential information to enforcement officers regarding commercial vehicles in real-time. (\$55.0)</p>												
Totals		70.0	0.0	0.0	70.0	0.0	0.0	0.0	0.0	0	0	0

Sel. 11(a)

Change Record Detail With Description

Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)

Component: Southeast Region Facilities (604)

RDU: Statewide Facility Maintenance and Operations (186)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Increased operating costs												
	Suppl	80.5	0.0	5.0	56.5	19.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	80.5											

Sec. 11(b)

Change Record Detail With Description

Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)

Component: Southeast Region Facilities (604)

RDU: Statewide Facility Maintenance and Operations (186)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP

JANITORIAL SERVICES - \$36.8

Three facilities in Southeast are currently under contract for janitorial services. They are Juneau 7-Mile Complex, AMHS Reservations Building and the Ketchikan Court and Office Building. In June 2006, the three year contracts for both 7-Mile Complex and the AMHS Reservations Building were scheduled to expire. In May 2006 Invitations to Bid were advertised for new three year contracts. The low bid for this combined contract came in higher than the total of the previous contracts. This low bid combined contract reflects minimal service of five days a week to provide for a safe and healthy work environment. It is expected that costs will increase further when the janitorial contract for the Ketchikan Court and Office Building expires in June 2007.

FY	Budget	Expenditures
2007	52.0	88.8 (projected cost under contract)

No additional funding was requested in FY07, as this cost was not known at that time. Without this supplemental funding, the existing contracts will need to be renegotiated to reduce services to stay within budget. This could lead to two or three day a week janitorial service of trash pickup and vacuuming work areas, creating an unsafe and unhealthy work environment. Industry standards require daily restroom cleaning and disinfecting.

REPAIRS/MAINTENANCE - \$38.7 (\$19.7 contractual, \$19.0 supplies)

The forty-one facilities in Southeast are experiencing various levels of deterioration. Repairs to those facilities, four of which are office buildings, can not be accomplished within the existing operating budget. The following building maintenance items are necessary to keep them safe and slow their deterioration:

- Juneau Office Complex - replace manual controls of air ventilation system
- Gustavus Shop - replace water softener and furnace burner
- Haines Shop - seal and repair siding of building
- Skagway Shop - replace oil/water separator and install fire alarm panel
- Yakutat Shop - replace furnace burner and repair roof
- Petersburg Shop - repair roof
- Sitka Court and Office Building - increased contract costs for maintenance/utilities (contract performed by City of Sitka)
- Klawock Shop - repair gutter

TRAVEL - \$5.0

With the ever increasing costs associated with travel (e.g., higher airfare, higher per diem, State Travel Office fees), it is impossible to provide necessary service under the current budget. The Building Manager must make annual site visits to the numerous locations in

SEC. 11(b)

Change Record Detail With Description
Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)

Component: Southeast Region Facilities (604)

RDU: Statewide Facility Maintenance and Operations (186)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP

Southeast Alaska, on a rotating basis, to assess facility conditions and provide instruction on worksite safety for state employees. Attendance at annual conferences on employee and worksite safety to provide for the responsibilities of the Regional Safety Officer as outlined in the Department's Safety Manual.

FY	Budget	Expenditures
2007	2.6	7.6 (projected)

Without this funding, the ability to properly assess facility needs and perform duties as Regional Safety Officer will be severely curtailed and lead to systems failures and increased Workers Compensation claims.

Totals		80.5	0.0	5.0	56.5	19.0	0.0	0.0	0.0	0	0	0
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Sec. 11(b)

Change Record Detail With Description
Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Central Region Highways and Aviation (564)
 RDU: Highways and Aviation (408)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Dobt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Increased operating costs												
	Suppl	1,111.5	158.7	0.0	926.8	0.0	26.0	0.0	0.0	0	0	0
1004 Gen Fund	1,111.5											

Sec. 11(e)

Change Record Detail With Description

Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)

Component: Central Region Highways and Aviation (564)

RDU: Highways and Aviation (408)

Scenario/ Change Record	Trans Title Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP

ANCHORAGE BOWL SNOW HAUL - \$503.0 (\$158.7 personal services, \$344.3 contractual)

Snowfall in the Anchorage area this year has returned to the amount that used to be considered normal for the area, and is significantly above the low levels of the past few winters. Including the heavy snowstorms over the holidays, snow accumulation has reached the levels that require snow hauling to remove excess snow plowed from the roads onto the shoulders and sidewalk areas.

There is \$250.0 budgeted for snow haul for the entire year. The first snow haul used the entire year's budget. To complete the current (second) snow haul for the existing accumulation of snow, and to allow for one additional snow haul for the remainder of the winter, supplemental funding in the amount of \$503.0 is needed.

ANCHORAGE STREET SWEEPING - \$274.0

The Region has a contract agreement with the Municipality of Anchorage (MOA) to provide street sweeping maintenance services for state owned roads within their communities. This is done in April to remove winter sand buildup on the roads and to meet the requirements for air quality. The MOA conducts this sweeping along with that done on their roads. The municipality can more cost effectively provide the service with the combining of all routes than we could by doing our routes separately. Costs include use of sweepers and water trucks; personal services for operators, equipment technicians and their supervisor; and magnesium chloride and disposal of dirt and particulates.

As a result of budget tightening exercises, the MOA has reviewed their costs associated with the State's routes within the Anchorage bowl area (street sweeping of Eagle River and Hillside is provided by a private contractor). They have determined that the Department has not been covering the full costs associated with state routes. The full cost is well over \$780,000 and the MOA will continue to cover almost \$200,000 of that cost. They require that the state cover the remaining \$599,000 for FY07. The current budget for this agreement is \$325,000. If we cannot maintain this agreement, the services will have to be provided by our in-house or private contract forces less efficiently, which will result in a reduction of services and the possibility of not meeting air quality requirements. Some Federal Highways funding is tied to the achievement of air quality.

AVALANCHE ARTILLERY - \$26.0

The Department had an opportunity through our membership in the Avalanche Artillery Users of North America Committee (AAUNAC) to procure some refurbished Howitzer 105mm Artillery from the Army at a much reduced price. These artillery pieces are in short supply and no new pieces are being manufactured. Having two surplus artillery pieces would serve to preserve our existing Avalanche Control Program into the future, as they can serve as additional parts for our existing artillery. There is no current manufacturer or supply of replacement parts anywhere.

Change Record Detail With Description

Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Central Region Highways and Aviation (564)
 RDU: Highways and Aviation (408)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Dobt Service	Positions		
										PFT	PPT	NP

LAW ENFORCEMENT AT KODIAK AIRPORT - \$20.0

The local law enforcement in the communities of Cordova and Kodiak are no longer able to respond to airport security problems within the 15 minute time frame mandated by the Transportation Security Administration (TSA). The local police departments have all identified that they cannot provide officers to meet this need without additional staff and remuneration. We have also talked with Alaska State Troopers and they also do not have staff to meet these demands. Without adequate and timely law enforcement response TSA may restrict large passenger aircraft into these communities.

We have worked this issue with the TSA since the announcement of this new requirement. TSA has informed us that this issue is non-negotiable and we must provide Law Enforcement Officers (LEO's).

The communities require a commitment from the department before they will hire the additional staff to fulfill this federal mandate. This funding will cover the hiring costs and overtime for existing personnel until new officers are hired.

STATE EQUIPMENT FLEET COST INCREASES - \$288.5

The State Equipment Fleet (SEF) has calculated that equipment costs to be billed to Central Region Highways and Aviation will be \$288.5 higher in FY07 than in FY06. Due to the continued high cost of commodities and overruns in other areas of the budget, we do not have the flexibility to reallocate funding from elsewhere to pay for the increased SEF costs.

Totals		1,111.5	158.7	0.0	926.8	0.0	26.0	0.0	0.0	0	0	0
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Sec. 11(e)

Change Record Detail With Description
Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Northern Region Highways and Aviation (2068)
 RDU: Highways and Aviation (408)

Scenario/ Change Record	Trans Title Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Increased operating costs												
	Suppl	20.0	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	20.0											
LAW ENFORCEMENT AT CORDOVA AIRPORT - \$20.0												
<p>The local law enforcement in the communities of Cordova and Kodiak are no longer able to respond to airport security problems within the 15 minute time frame mandated by the Transportation Security Administration (TSA). The local police departments have all identified that they cannot provide officers to meet this need without additional staff and remuneration. We have also talked with Alaska State Troopers and they also do not have staff to meet these demands. Without adequate and timely law enforcement response TSA may restrict large passenger aircraft into these communities.</p> <p>We have worked this issue with the TSA since the announcement of this new requirement. TSA has informed us that this issue is non-negotiable and we must provide Law Enforcement Officers (LEO's).</p> <p>The communities require a commitment from the department before they will hire the additional staff to fulfill this federal mandate. This funding will cover the hiring costs and overtime for existing personnel until new officers are hired.</p>												
Totals		20.0	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0	0	0

Sec. 11(d)

Change Record Detail With Description
Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Southeast Region Highways and Aviation (603)
 RDU: Highways and Aviation (408)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Increased operating costs												
	Suppl	233.0	208.5	0.0	0.0	24.5	0.0	0.0	0.0	0	0	0
1004 Gen Fund	233.0											
OVERTIME DUE TO EXTREME WINTER WEATHER - \$208.5												
Southeast Alaska is experiencing abnormal and extreme winter weather conditions. In the Juneau area alone, snowfall accumulation through early January is already more than double the normal annual amount of 56 inches. This has lead to increases of overtime usage to plow roadways and apply sand and chemicals. We are currently projecting overtime costs in FY07 (\$470.5) to exceed FY06 costs (\$261.0) by \$208.5.												
If supplemental funding is not received, spring/summer maintenance activities such as highway brushing and asphalt repair will need to be curtailed, resulting in diminished public safety and roadway degradation. Winter maintenance activities must be conducted to ensure the safety of the traveling public.												
PAINT - \$24.5												
Striping requirements are not consistent from year to year, as Federal Aviation Administration funding is used to paint airport runways and Federal Highway Administration funding is used to paint roadways, when both undergo construction. This activity is included in the contract. All other roadways are on a rotating schedule by location. Some locations have more lane miles than others. Locations requiring paint application this year include Haines, Juneau, Ketchikan, Petersburg, Sitka, Skagway, Wrangell and Yakutat.												
FY	Budget	Expenditures										
2007	172.0	196.5 (projected)										
An increment of \$180.0 was requested in the FY07 budget for various items, including paint. This request was only approved for \$45.0 in Conference Committee, which was allocated to the paint budget. This increased the overall paint budget from \$127.0 to \$172.0. Based on quantities needed for this year's painting program, it is estimated that costs will be \$196.5, which exceeds the budget by \$24.5.												
If supplemental funding is not received, roadways will not receive adequate striping. This will affect the safety of the traveling public. Airport runways must be striped as necessary and this will be a priority.												
Totals		233.0	208.5	0.0	0.0	24.5	0.0	0.0	0.0	0	0	0

Sec. 116)

Change Record Detail With Description

Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Unpaid FY06 obligations												
	Suppl	532.8	0.0	0.0	449.9	82.9	0.0	0.0	0.0	0	0	0
1004 Gen Fund	532.8											
<p>The AMHS requests \$532,786.91 in general funds to satisfy its remaining FY06 obligations. The Marine Vessel Operations component did not have sufficient FY06 expenditure authority to satisfy all of its financial obligations and the absence of a FY06 lapse balance also prevented AMHS from paying for these obligations with FY07 funds. Services were received during FY06 from state agencies including the State Equipment Fleet, Department of Law, Division of Retirement and Benefits, Department of Labor, Department of Commerce, Community, and Economic Development, Department of Corrections, and the University of Alaska. Total costs of \$414,377.95 have not yet been paid.</p> <p>In addition, obligations to private vendors that provided goods and services to AMHS during FY06 totaling \$118,408.96 (to date) remain to be paid.</p>												
Totals		10,632.8	4,749.0	68.2	489.8	1,725.8	0.0	0.0	3,600.0	0	0	0

Sec. 11(F)

Change Record Detail With Description
Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
AMH3 FY07 operating shortfall												
	Suppl	10,100.0	4,749.0	68.2	39.9	1,642.9	0.0	0.0	3,600.0	0	0	0
1004 Gen Fund	10,100.0											

Sec. 11(g)

Change Record Detail With Description
Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP

M/V Fairweather winter service: The original AMHS FY07 business plan called for the M/V Fairweather to be out of service from December 2006 through April of 2007. It was subsequently determined that minimum service levels to Southeast communities could not be met without continuing operation of the M/V Fairweather through the winter months.

The estimated costs of the additional winter service by line item are as follows:

Personal Services	754.0
Travel	8.2
Services	32.9
Commodities	1,504.9
Total	2,300.0

M/V Chenega training: U.S. Coast Guard (USCG) training requirements for fast ferries are more rigorous than for standard vessels. As a result of the combination of winter lay-up and warranty overhaul of the vessel a number of the M/V Chenega's trained crew transferred to other vessels in the fleet. AMHS' original FY07 business plan did not include funding for the unanticipated cost of training a replacement crew for the M/V Chenega. Providing the USCG required training for new members of the M/V Chenega crew is a prerequisite of returning the M/V Chenega to service. The estimated costs of training the crew of the M/V Chenega by line item are:

Personal Services	95.0
Travel	60.0
Services	7.0
Commodities	138.0
Total	300.0

Under projected personal service costs: The financial results produced by the cost model used by AMHS for development of their FY07 business plan and subsequent cost projections made using the model were compared to actual cost experienced for the first six months of FY07. This analysis revealed that the cost model was under projecting leave costs and certain overtime costs for three vessels. The cost model has been adjusted accordingly and the updated FY07 cost projections reflect the need for an additional \$2.5 million to cover leave costs and a total of \$1.4 million for under projected overtime and unanticipated labor costs associated with the extended overhaul period for the M/V Columbia.

Personal Services 3,900.0

Under collection of unrestricted receipts: The FY07 budget enacted by the legislature authorized total expenditures of \$54,650.8 from the AMHS Fund. The most recent AMHS projections of total unrestricted revenues indicate that actual FY07 unrestricted revenues will be approximately \$51,000.0. AMHS will need an additional \$3.6 million in general funds in order to operate the vessels in accordance with the schedule to avoid generating a negative cash balance in the AMHS fund for FY07.

Sec. 11(g)

Change Record Detail With Description
Department of Transportation/Public Facilities

Scenario: FY2007 Supplemental - Governor (5770)
 Component: Marine Vessel Operations (2604)
 RDU: Marine Highway System (334)

Scenario/ Change Record	Trans Title Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Unpaid FY06 obligations												
	Suppl	532.8	0.0	0.0	449.9	82.9	0.0	0.0	0.0	0	0	0
1004 Gen Fund	532.8											
<p>The AMHS requests \$532,786.91 in general funds to satisfy its remaining FY06 obligations. The Marine Vessel Operations component did not have sufficient FY06 expenditure authority to satisfy all of its financial obligations and the absence of a FY06 lapse balance also prevented AMHS from paying for these obligations with FY07 funds. Services were received during FY06 from state agencies including the State Equipment Fleet, Department of Law, Division of Retirement and Benefits, Department of Labor, Department of Commerce, Community, and Economic Development, Department of Corrections, and the University of Alaska. Total costs of \$449,863.38 have not yet been paid.</p> <p>In addition, obligations to private vendors that provided goods and services to AMHS during FY06 totaling \$82,923.53 (to date) remain to be paid.</p>												
Totals		10,632.8	4,749.0	68.2	489.8	1,725.8	0.0	0.0	3,600.0	0	0	0

Sec. 11(g)

Cantwell Maintenance Station Remodel and Electrical Upgrade

FY2007 Request: ^{Sec. 11(h)} \$250,000
 Reference No: 43306

AP/AL: Appropriation
 Category: Transportation
 Location: Cantwell
 House District: Denali/University
 Estimated Project Dates: 07/01/2006 - 09/30/2007

Project Type: Health and Safety
 Contact: Frank Richards
 Contact Phone: (097)465-3903

Brief Summary and Statement of Need:

This is a new project for FY2007. Funding to correct unsafe electrical and building code violations at the Cantwell Maintenance Station. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Funding:	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total
Gen Fund	\$250,000						\$250,000
Total:	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000

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

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

None.

Project Description/Justification:

The department has received an Occupational Safety and Health Administration (OSHA) compliance order for unsafe electrical and building code violations at the Cantwell Maintenance Station. The electrical service for the compound was located in a low lying building that routinely flooded during heavy rains and spring thaw. The primary entrance and emergency exit for the building was also deemed unsafe as personnel had to transit through the boiler room. In April 2006 OSHA visited the site as a member of a partnership between the Department of Labor and Workforce Development (DOL&WD) and the Department of Transportation and Public Facilities (DOT&PF) to promote safe work environments at state facilities. Safety items observed during these visits are to be remedied as quickly as possible. OSHA issued a compliance order that requires the critical safety improvements be in place by June 2007.

Because of the severity of the violation, the department immediately began corrective measures to replace the electrical service and remodel the building entrance. This is a large project in scope to correct to applicable codes. The structure was built in 1954 without any thought to these safety issues. As with any old building, the original building is inferior (by today's standards) and needs to be brought up to code. When corrective action began, additional safety deficiencies were identified. A wall needed to be installed to separate the boiler room from the normal access route. This necessitated other modifications including electrical and plumbing upgrades. Asbestos abatement was necessary for demolition and added \$28,000 in cost. Electrical upgrades included correcting the overloaded 200 amp service to a 400 amp service, correcting faulty system grounding and adding ground fault circuit interrupters (GFCI) where necessary. Plumbing upgrades included a new gray water lift station, new heating and ventilation system piping and controls for the new floor plan.

This \$250,000 will cover the expenditure for these critical safety improvements.

Thompson Pass Refueling Station

FY2007 Request: ^{Sec. 11(i)} \$150,000
 Reference No: 43304

AP/AL: Appropriation Project Type: Health and Safety
 Category: Transportation
 Location: Thompson Pass Contact: Frank Richards
 House District: Richardson/Glenn Highways Contact Phone: (907)465-3903
 Estimated Project Dates: 05/01/2007 - 12/30/2007

Brief Summary and Statement of Need:

This is a new FY2007 project. Funding to correct the unsafe practice of indoor refueling at the Thompson Pass Maintenance Station. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Funding:	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total
Gen Fund	\$150,000						\$150,000
Total:	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000

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

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:
 None.

Project Description/Justification:

The department has received an Occupational Safety and Health Administration (OSHA) violation for unsafe fueling operations inside the Thompson Pass Maintenance Station. Fuel dispensing inside the building is done because of the extreme snow loads and high winds at this location. In September 2006 OSHA visited the site to review the facility and operations as a member of a partnership between the Department of Labor and Workforce Development (DOL&WD) and the Department of Transportation and Public Facilities (DOT&PF) to promote safe work environments at state facilities. Safety items observed during these consultation visits are to be remedied as quickly as possible. In this case the cost to install an outdoor fuel facility is too large for the department to absorb. OSHA issued a compliance order that requires the new fuel dispensing facility be in place by November 2007.

This funding will construct a new separate fueling facility apart from the maintenance shop. Due to the extreme environmental challenges, a detailed engineering evaluation will be completed to design a structure suitable for the conditions. The estimated cost for engineering and construction is \$150,000. To meet the compliance deadline funds are needed immediately to complete the design and construction.

**Alaska Marine Highway System - Vessel and Terminal
Overhaul and Rehabilitation**

FY2007 Request: ^{Sec. 11(i)} \$1,944,000
Reference No: 43303

AP/AL: Appropriation

Project Type: Deferred Maintenance

Category: Transportation

Location: Statewide

Contact: John Torgerson

House District: Statewide

Contact Phone: (907)269-0724

Estimated Project Dates: 08/01/2006 - 06/30/2008

Brief Summary and Statement of Need:

This project amends an existing FY2007 project. Supplemental funds are requested to cover repairs to Alaska Marine Highway vessels' steering gear, multiple steel deck corrosion, and an electrical generator failure. This project contributes to the Department's mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Funding:	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total
Gen Fund	\$1,944,000						\$1,944,000
Total:	\$1,944,000	\$0	\$0	\$0	\$0	\$0	\$1,944,000

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

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

FY2007 - \$6,000,000; FY2006 - \$5,000,000; FY2005 - \$4,063,000; FY2004 - \$4,930,000; FY2003 - \$5,000,000; FY2002 - \$4,239,365; FY2001 - \$4,200,000; FY2000 - \$4,390,600; FY1999 - \$4,000,000.

Project Description/Justification:

During the U.S. Coast Guard required annual overhaul of several AMHS vessels, problems were identified that would have prevented certification and further vessel operations. These issues had been unforeseen and are becoming more of a problem due to the aging of the fleet. The main areas of additional repair included steering system repairs, replacement of corroded steel decking, life boat and davit refurbishment, turbo charger repair, bow thruster work and electrical generator repair. The following vessels required these additional repairs:

LeConte	\$504,000
Matanuska	\$425,000
Columbia	\$435,000
Kennicott	\$413,000
Taku	\$75,000
Fairweather	\$92,000

Atka: Airport Extension and Resurfacing

FY2007 Request: ^{Sec. 11(1)} \$4,000,000
Reference No: 41715

AP/AL: Allocation

Project Type: Construction

Category: Transportation

Location: Atka

Contact: John Torgerson

House District: Bristol Bay/Aleutians

Contact Phone: (907)269-0724

Estimated Project Dates: 04/01/2007 - 06/30/2012

Appropriation: Airport Improvement Program

Brief Summary and Statement of Need:

This amends an existing FY2007 project. The project includes a runway extension and minor realignment, a new taxiway and apron, paving of operational surfaces, Medium Intensity Runway Lighting (MIRL), a double bay Snow Removal Equipment Building (SREB), other related improvements, and land acquisition. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Funding:	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total
Fed Rcpts	\$4,000,000						\$4,000,000
Total:	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000

<input checked="" type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
5% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	20,000	0
One-Time Startup:	0	
Totals:	20,000	0

Additional Information / Prior Funding History:

FY2007 - \$1,500,000; FY2003 - \$12,000,000.

Project Description/Justification:

Pavement Management System (PMS) Pavement Condition Index (PCI) survey data reflects that Atka Airport pavement conditions rates out as Failed to Poor and are the worst in the entire State. PMS analysis states pavement conditions have deteriorated to the point that maintenance work is now nearly useless; only beneficial maintenance work that can be done is to cold patch and crack seal localized failed areas in order to keep the airport in use. The current Snow Removal Equipment Building (SREB) is 18 years old and is too small, rusting, leaks and the personnel access door has deteriorated. The runway extension continues to be justified because the existing 3,100 foot runway does not meet standards for accommodating larger planes that must land at Atka in order to carry cargo and emergency materials to the community. Extension and reconstruction of the current runway will ensure the City of Atka's continued competitiveness in the commercial fishery industry. Due to the remote geographical location of this Aleutian Chain community, air transportation is the community's basic transportation lifeline for passenger, freight and mail service.

Operating and Maintenance costs are estimated to be \$20,000 per year starting in FY2009.

The cost estimate for this project has increased to reflect inflation in the construction industry.

This project is scheduled to be advertised in April 2007.

Nightmute: Airport Reconstruction

FY2007 Request: ^{Sec. 11(m)} \$3,000,000
Reference No: 33210

AP/AL: Allocation

Project Type: Construction

Category: Transportation

Location: Nightmute

Contact: John Torgerson

House District: Bethel

Contact Phone: (907)269-0724

Estimated Project Dates: 05/01/2007 - 06/30/2012

Appropriation: Airport Improvement Program

Brief Summary and Statement of Need:

This is a new FY2007 project. Expand the existing 50' x 1,600' runway to 75' x 3,200'; construct a 3,680' runway safety area; construct a new taxiway within taxiway safety area; relocate and expand the apron; construct two single bay snow removal equipment buildings; rehabilitate airport access road; acquire land for airport improvements; construct powerline extension and construct a segmented circle and lighted wind cone. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Funding:	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total
Fed Rcpts	\$3,000,000						\$3,000,000
Total:	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$3,000,000

<input checked="" type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
7% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

FY2001 - \$5,100,000; FY2000 - \$3,500,000.

Project Description/Justification:

The airport provides the only year-round access for this community. Commercial carriers in the region operate twin-engine aircraft that require longer runway lengths. The present runway, taxiway, apron and respective safety areas do not meet current Federal Aviation Administration (FAA) design standards.

The estimated cost for this project has increased due to inflation in the construction industry.

This project is scheduled to be advertised in June 2007.

Nunapitchuk: Airport and Access Improvements

FY2007 Request: ^{Sec. 11(h)} \$1,500,000
 Reference No: 40602

AP/AL: Allocation Project Type: Construction
 Category: Transportation
 Location: Nunapitchuk Contact: John Torgerson
 House District: Bethel Contact Phone: (907)269-0724
 Estimated Project Dates: 05/01/2007 - 06/30/2012
 Appropriation: Airport Improvement Program

Brief Summary and Statement of Need:

This is a new FY2007 project. Extend the runway to the length practicable at the existing location including full safety areas. Also install runway and taxiway lighting, improve access road, relocate apron, and construct two single bay snow removal equipment buildings. Boardwalk improvements may also be included in this project. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Funding:	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total
Fed Rcpts	\$1,500,000						\$1,500,000
Total:	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$1,500,000

<input checked="" type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
5% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

FY2006 - \$1,500,000; FY2004 - \$1,400,000; FY2002 - \$5,000,000; FY2000 - \$1,200,000.

Project Description/Justification:

Improve the existing Nunapitchuk Airport, currently operated per Federal Aviation Administration Airport Reference Code A-I, to meet standards for A-II airplanes.

Safety and reliability of service will be improved by

- 1) increasing runway and runway safety area length and width to the extent possible by expanding the existing embankment.
- 2) installing runway and taxiway lighting.
- 3) providing Snow Removal Equipment Buildings (SREB) for better snow removal, and
- 4) providing better access to the airport.

The increase in operating and maintenance costs will be approximately \$35,000 per year beginning in FY2009.

The estimated cost for this project has increased to reflect inflation in the construction industry.

This project is scheduled to be advertised in May 2007.

Platinum: Airport Relocation

FY2007 Request: ^{Sec. 11(n)} \$3,000,000
 Reference No: 39182

AP/AL: Allocation

Project Type: Construction

Category: Transportation

Location: Platinum

Contact: John Torgerson

House District: Bethel

Contact Phone: (907)269-0724

Estimated Project Dates: 05/01/2007 - 06/30/2012

Appropriation: Airport Improvement Program

Brief Summary and Statement of Need:

This amends an existing FY2007 project. The project will relocate the airport and construct a new 3,280' X 75' runway, a new apron and taxiway, an airport access road, and a new equipment storage building and develop lease lots. The project will also install airport lighting. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage, by improving the mobility of people and goods and by increasing private investment.

Funding:	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total
Fed Rcpts	\$3,000,000						\$3,000,000
Total:	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$3,000,000

<input checked="" type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
5% = Minimum State Match % Required	<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill		

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:

FY2007 - \$1,500,000; FY2005 - \$5,500,000.

Project Description/Justification:

The current runway, apron and taxiway do not meet state standards for a community class airport. The airport does not have a runway safety area and does not meet current dimensional standards for length and width. The runway floods several times each year and the surface area is degraded and soft. There are no lease lots. Airport lighting will improve operations and safety during hours of limited visibility and darkness.

The cost estimate for this project has increased to reflect inflation in the construction industry.

This project is scheduled to be advertised in May 2007.

Sec. 11(o)

MEMORANDUM**State of Alaska**Department of Transportation & Public Facilities
Office of the CommissionerTO: Karen Rehfeld, Director
Office of Management and Budget

DATE: February 12, 2007

TELEPHONE NO: 465-3901
TEXT TELEPHONE: 465-3652
FAX NUMBER: 586-8365OFFICE OF
MANAGEMENT & BUDGET

FEB 12 2007

FROM: Leo von Scheben, P.E., L.S., M.B.A.
Commissioner

SUBJECT: Request: Name Change



The Department of Transportation and Public Facilities requests a title change related to a previously appropriated capital project.

Sec. 1, Chapter 61, SLA 2001, page 32, line 3 appropriated \$1,500,000 in federal receipt authority for the Stony River Airport Rehabilitation project. The initial project scope was to include extension of the runway. The project has been revised to relocate the airport due to the village's encroachment at the existing facility, and the topographical constraints caused by the airport's location between meanders of the Kuskokwim River. The current runway, apron and taxiway do not meet state standards for a community class airport. The airport does not have a runway safety area and does not meet current dimensional standards for length and width. There are buildings in the runway protection zone, no separated apron, and there are trees in the obstacle zone. The Legislature has approved other appropriations for the relocation project. Full use of the legislative appropriations for this project cannot take place without a language change. The appropriation should be for relocation and airport improvements.

Your approval of these requests would be appreciated.

cc: Nancy Slagle, Director, Division of Administrative Services, DOT&PF

FUND
TRANSFER

Change Record Detail With Description
Fund Capitalization

Scenario: FY2007 Supplemental - Governor (5770)

Component: Disaster Relief Fund (2497)

RDU: Fund Capitalizations (255)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Capitalization of Fund for Declared Disasters												
	Suppl	17,659.5	0.0	0.0	0.0	0.0	0.0	0.0	17,659.5	0	0	0
1004 Gen Fund		17,659.5										
The following disasters make up the requested supplemental:												
2006 Hooper Bay Fire; \$4,844.1												
State disaster declared August 6, 2006												
Federal disaster declared October 27, 2006												
2006 Southcentral Flood \$6,118.4												
State disaster declared August 19, 2006												
Federal disaster declared October 16, 2006												
2006 October Southern Storm \$6,463.2												
State disaster declared October 14, 2006												
Federal disaster declared December 8, 2006												
2006 Kivalina Sea Wall \$233.8												
Administrative Order 231 issued November 29, 2006												
Totals		17,659.5	0.0	0.0	0.0	0.0	0.0	0.0	17,659.5	0	0	0

Sec. 12(a)

Change Record Detail With Description

Debt Service and Special Appropriations

Scenario: FY2007 Supplemental - Governor (5770)

Component: Debt Retirement Fund (2155)

RDU: Debt Service (251)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Reduce GF capitalization of the DRF for reduced School Debt Reimbursement												
	Suppl	-5,565.6	0.0	0.0	0.0	0.0	0.0	0.0	-5,565.6	0	0	0
1004 Gen Fund		-5,565.6										
Reduce the GF capitalization necessary to fund School Debt Reimbursement due to additional School Fund receipts (cigarette tax) available of \$709.7, and a decrease of the amount needed for FY2007 School Debt Reimbursement of \$4,855.9, from \$93,935.0 to \$89,079.1, per DEED reconciliation dated January 5, 2007.												
Totals		-5,565.6	0.0	0.0	0.0	0.0	0.0	0.0	-5,565.6	0	0	0

Sec. 12(b)

Change Record Detail With Description

Fund Capitalization

Scenario: FY2007 Supplemental - Governor (5770)

Component: Marine Highway Stabilization (1225)

RDU: Fund Capitalizations (255)

Scenario/ Change Record	Trans Title Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
AMHS Fund negative balance												
	Suppl	10,732.3	0.0	0.0	0.0	0.0	0.0	0.0	10,732.3	0	0	0
1004 Gen Fund	10,732.3											
<p>AMHS requests \$10,732.3 in general funds to offset the negative balance in the AMHS Fund. The FY06 annual financial report on the AMHS Fund reflected an ending balance of (\$10,732.3) in the fund, an increase of \$3,916.3 in the negative FY05 year end fund balance of (\$6,816.0). The negative fund balance is indicative of undercollection of unrestricted revenues to support the amounts appropriated from the fund for operation of the system.</p>												
Totals		10,732.3	0.0	0.0	0.0	0.0	0.0	0.0	10,732.3	0	0	0

Sec. 12(c)

DEBT

Change Record Detail With Description

Debt Service and Special Appropriations

Scenario: FY2007 Supplemental - Governor (5770)

Component: School Debt Reimbursement (153)

RDU: Debt Service (251)

Scenario/ Change Record	Trans Title Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions		
										PFT	PPT	NP
FY2007 Supplemental - Governor												
Reduce amount necessary to pay School Debt Reimbursement obligations in FY2007												
	Suppl	-4,855.9	0.0	0.0	0.0	0.0	0.0	-4,855.9	0.0	0	0	0
1030 School Fnc	709.7											
1044 Debt Ret	-5,565.6											
Reduce total School Debt Reimbursement per Department of Education and Early Development January 5, 2007 adjusted projection for school debt reimbursement requests, and for increased amount available from the School Fund (cigarette tax) in FY 2007. The School Debt Reimbursement request for FY2007 is reduced from \$93,935.0 to \$89,079.1, and an additional \$709.7 is available in the School Fund to supplant the appropriation from the Debt Retirement Fund.												
Totals		-4,855.9	0.0	0.0	0.0	0.0	0.0	-4,855.9	0.0	0	0	0

Sec. 13

RATIFICATION

MEMORANDUM
DEPARTMENT OF NATURAL RESOURCES


Sec. 14(a)
State of Alaska
SUPPORT SERVICES DIVISION

TO: Karen Rehfeld
Director, OMB

DATE: February 12, 2007

FILE NO: fire ratification memo

TELEPHONE NO.: 465-2406


FROM: Nico Bus
Admin Service Director

SUBJECT: Ratification request
FY06 Fire Suppression

The Department of Natural Resources requests a ratification item to be included in SLA07 legislation for Fire Suppression. The ratification amount is \$6,406,509.85, for FY06 general fund authorization posted and expended in the Statewide Fire Suppression Program RDU, Fire Suppression Activity component.

The authorization to expend was obtained through the "Declaration of a Disaster Emergency" process, during the time period *after* the regular FY06 supplemental process by the Legislature.

FY06 GF Funding History:

\$13,119,009.85 Expended/Encumbered as of 2/12/07
\$ 6,712,500.00 Original GF appropriation
\$ 6,406,509.85 Ratification Required

cc: Jean Davis, Budget Analyst
Dean Brown, Deputy State Forester
Lex McKenzie, Forestry Admin Manager

Sec. 14(b)(1) & (2)

MEMORANDUM

State of Alaska

Department of Education & Early Development
801 W. Tenth St. STE 200
PO Box 110500
Juneau, AK 99811-0500
(907)465-8651 PH
(907)465-3452 FX

To: Karen Elliott
Office of Management & Budget
Program Budget Analyst

Date: February 8, 2007

OFFICE OF
MANAGEMENT & BUDGET

FEB 08 2007

From: Mark E. Lewis *MEL*
Department of Education & Early
Development
Director of Administrative Services

Subject: Ratification Request

The Department of Education & Early Development (EED) is requesting the following Quality Schools appropriations be ratified in the amounts stated:

AR 17720-4	\$51,621.56
AR 17720-5	\$107,601.48

In 2004, EED reconciled past federal revenues released to EED through the federal grant system, GAPS, and federal revenues recorded in the state accounting system, AKSAS. As a result of this reconciliation, discrepancies were discovered in the above appropriations. EED made attempts to rectify the discrepancies both internally and in cooperation with the federal grant program staff; however, the federal grants were already considered closed by the federal program staff and adjustments to correct these discrepancies were not allowed. Because the adjustments were not allowed, AKSAS continues to reflect shortfall balances in AR 17720-4 & AR 17720-5.

The federal draws were made available from the correct ledger codes and the correct federal grant, though EED failed to draw down revenue according to the project codes related to GAPS federal award number and CFDA number. The expenditures were made within the grant timelines and revenue was drawn within the allowable timeframe. EED's failure to reconcile the GAPS balances timely caused several grants to close out in GAPS that were not in balance with AKSAS.

The shortfalls were carried forward to GAPS projects with available balances in subsequent years. This imbalance continues to carry-forward and the approval of this ratification request will provide an appropriate final remedy. EED has a current standard operating procedure of reconciling the two systems with each draw to ensure accuracy and prevent a reoccurrence of this issue.

Attached are both the letter from EED to the US Department of Education (USDOE) requesting adjustments to GAPS and the response letter from USDOE denying EED's

Sec. 14(b)(1) & (2)

request. In addition to the letters, our internal analysis of ARs 17720-4 & 17720-5 is also attached.

For additional assistance regarding the above request, please contact Mark Lewis at mark_lewis@eed.state.ak.us or call 465-2875.

STATE OF ALASKA

Frank H. Murkowski, GOVERNOR

EDUCATION & EARLY DEVELOPMENT EDUCATION SUPPORT SERVICES

GOLDBELT PLACE
801 WEST 10TH STREET, SUITE 200
JUNEAU, ALASKA 99801-1894

(907) 465-8651
FAX (907) 465-3452

March 22, 2004

US Dept of Education
Grant Financial and Program Managers,

There are many individuals at the federal finance and program areas responsible for grants to Alaska Department of Education and Early Development (EED). This office's recent GAPS reconciliation effort and subsequent request to re-open several grants has caused lot of questions from program and finance staff at the state and federal level. I apologize for the confusion that this has caused. The purpose of this letter is to explain:

1. *What we are trying to accomplish by this reconciliation,*
2. *A timeline to complete the reconciliation,*
3. *How and why we are out of balance with GAPS,*
4. *What new procedures we implemented to avoid this problem in the future,*
5. *And most important, the expenditures reported in these closed grants are correct and are not being adjusted or changed in any way.*

This office is attempting to reconcile and correct the "available" balances reflected in the GAPS system. Many of these grants have been closed in the federal system and in our Alaska State Accounting System (AKSAS). What we've found so far is that a grant close out consisted of a review of expenditures and revenue balancing routine in AKSAS. This close out did not include a further review of the GAPS available balance and revenue drawn to the AKSAS for each grant. At this time the research is complete and we need several federal grants "re-opened" in the GAPS system in order to process adjusting entries. These adjustments will only be on the revenue side, as the reported expenditures stand correct and are in balance between GAPS and AKSAS.

Sally Moskito is the lead in this reconciliation project and is working on this full time. We expect that less than one month will be sufficient time to make the necessary adjustments to balance GAPS and AKSAS. Our goal is to be sure the revenue and remaining balances in GAPS (open or closed) are correct and reconciled to both systems. The attached reconciliation spreadsheet indicates the proposed adjustments to each federal grant.

In late October 2003 we began reconciling federal grants with GAPS close out dates of December 31, 2003. We discovered that while the expenditures and revenue were equal in AKSAS, there were discrepancies between AKSAS and GAPS. These discrepancies were researched, verified and corrected prior to the grant closing date in GAPS.

Sec. 14(b)(1) & (2)

Recent information about states having huge balances of education federal funds available also caused us to research how that occurred and what it meant for Alaska. We decided to look back and find out why there were still balances being reflected in GAPS for older, inactive closed grants and discovered the out of balance problem.

Reconciliation between the two systems had not been conducted for a couple of years. There were also a few grants that were closed that had remaining balances but we did not know what needed to be done to "release" those funds in GAPS and zero out the closed grant award. We believe this was due to combination of inexperienced accounting staff and the retirement of our finance officer. A previous reconciliation procedure was inadvertently skipped.

The federal draws were made from the correct ledger codes and the correct federal grant; however, we failed to draw down revenue according to our project codes that relate to the GAPS federal award number and CFDA number. The expenditures were made within the grant timelines and revenue was drawn within appropriate time lines. Our failure to reconcile the GAPS balances timely caused several grants to close out in GAPS that were not in balance with AKSAS. The "errors" have been carried forward to a current GAPS projects with available balances. This is causing three grants to appear to be "short" in the GAPS available balance.

As a result of this reconciliation effort, we are providing additional staff training and re-visiting our written procedures that include a regular reconciliation between GAPS and AKSAS prior to grant closing dates. Each federal grant will be reviewed and a documented reconciliation will occur before the grant reaches last date to draw funds in GAPS.

The GAPS correcting adjustments are proposed to only in the "balance available" section of GAPS. My department is not changing any reported expenditures to the closed federal grants. GAPS and AKSAS expenditures are correct and in balance.

I would like to thank you for your understanding and assistance in getting these grants reflected accurately in the federal system. Please don't hesitate to contact me if you have any questions or concerns about this reconciliation.

Sincerely,

Brenda O'Donnell, Assistant Director
Education Support Services

cc: Barbara Thompson, Director Teaching & Learning Support
USDE GAPS Finance Staff
USDE Federal Grant Program Staff
EED Federal Grant Program Staff
EED Finance & Accounting Staff

Sec. 14(b)(1) & (2)



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE CHIEF FINANCIAL OFFICER

THE CHIEF FINANCIAL OFFICER

FEB - 8 2005

Honorable Roger Sampson
Commissioner of Education
State Department of Education
Pouch F, State Office Building
801 West Tenth St, Suite 200
Juneau, Alaska 998801-1894

Dear Mr. Sampson:

I am writing in response to your agency's requests for extensions for additional time to liquidate obligations for Fiscal Year (FY) 1998 and funds from a later fiscal year.

In June 2004, we communicated with your agency about the need for you to obligate in a timely and effective manner Fiscal Year (FY) 2002 federal dollars for grant programs before the end of September to avoid the unnecessary lapsing of Federal education program funds. We also informed you about the possibility of certain funds appropriated for FY 1998 reverting to the U.S. Treasury if appropriate liquidations were not made before the end of September. Further, we indicated that while generally liquidations are required to be made no later than 90 days after the end of the period to obligate funds, in certain circumstances a request for an extension for extra time to liquidate funds may be considered. Of course, in accordance with the regulations in 34 CFR 80.23 (b), we indicated that the approval of these requests is at the discretion of the Department.

We received a request from your state for authority to liquidate obligations utilizing FY 1998 funds before their reversion. You also requested authority to liquidate obligations utilizing FY 1999 and FY 2000 funds. After carefully reviewing your requests in consultation with program managers, other officials and staff from various Department offices including the Office of the General Counsel, we concluded that your agency's request with regard to FY 1998 funds did not provide clear documentation justifying approval. Additionally, your agency's submission did not provide an adequate explanation of why the request for extra time was submitted so long after the period for obligating and liquidating had expired.

This decision was made in accordance with the application of longstanding Department principles on the handling of such funding requests that help ensure good fiscal practices and proper accountability. In general, if more time is needed to liquidate obligations, a request is more likely to be approved if it is submitted closer to the time that the original liquidation period is about to expire, and has a clear statement of the reason necessitating the liquidation extension request.

400 MARYLAND AVE., S.W. WASHINGTON, D.C. 20302-4300

Our mission is to ensure equal access to education and to promote educational excellence throughout the Nation.

To assist your agency with pending requests with regard to funds from FY 1999, FY 2000, and future requests, we have recently compiled these principles into the attached useful guidance, which we sent to your agency (I have attached a copy for your convenience). We encourage your agency to review your pending request for liquidating funds from FY 1999 and FY 2000 in light of this guidance. After that review, if your agency wants us to still consider your request as previously submitted, please let us know. Otherwise, you may wish to revise your request with additional information and submit a new request.

We will also offer technical assistance if requested to assist your state to more efficiently obligate and liquidate Federal funds and to avoid lapsing of expiring funds. We expect that this guidance and assistance will help you submit more appropriate requests for late liquidation, and will help the Department to expedite our review.

Your vigilance is crucial to ensure that all federal funds under your management are used to help America's children. We thank you for your efforts so far to reduce unexpended fund balances. With the further guidance and the assistance to be provided, we hope the result will be the more effective use of funds for your students in the future. We appreciate your cooperation, and look forward to working with you on these matters.

Sincerely,


Jack Martin

Attachment

Copies:

Sally Stroup, Office of Postsecondary Education
Deborah Price, Office of Safe and Drug Free Schools
Nina Rees, Office of Innovation and Improvement
Susan Scalfani, Office of Vocational and Adult Education
Marina Tse, Office of English Language Acquisition
Raymond Simon, Office of Elementary and Secondary Education
John Hager, Office of Special Education and Rehabilitative Services
Victoria Vasques, Office of Indian Education
Laurie M. Rich, Office of Intergovernmental and Interagency Affairs

17721-04 QUALITY SCHOOLS OPER AR-04 REPORTED ON THE TERMINATED AR'S W/SHORTFALL BALANCES MEMO
 EDUCATION AND EARLY DEVELOPMENT

LC #	ENTITY DESCRIPTION	AUTH	ACTUALS	ENC	REST	BAL	REV	EXP/REV	66190/55910
5000095	LC FOR ADJUSTMENTS F	(2,429,451.20)	194.13	0.00	0.00	(2,429,645.33)		194.13	
5042101	FED-TITLE VI LEA GRA	0.00	8,205.76	0.00	0.00	(8,205.76)	(8,205.76)	0.00	
5042200	FED-TITLE VI INNOV P	0.00	3,495.01	0.00	0.00	(3,495.01)	(3,495.01)	0.00	
5042500	FED-CLASS SIZE REDUC	0.00	16,919.25	0.00	0.00	(16,919.25)	(16,919.25)	0.00	
5043101	FD-TITLE V LEA GRANT	0.00	519,751.43	0.00	0.00	(519,751.43)	(519,751.43)	0.00	
5043200	FD-TITLE V TARGETED	0.00	161,844.07	0.00	0.00	(161,844.07)	(161,844.07)	0.00	
5043300	FD-ADVANCED PLACEME	0.00	6,052.00	0.00	0.00	(6,052.00)	(6,052.00)	0.00	
5044250	FD-TITLE V GRANTS	1,656,964.00	1,044,529.62	0.00	0.00	612,434.38	(1,044,529.62)	0.00	
5044251	FD-TITLE V TARGETED	242,136.00	157,010.44	0.00	0.00	85,125.56	(157,010.44)	0.00	
5053100	FD-STATE ASSESSMENT	0.00	2,073,444.47	0.00	0.00	(2,073,444.47)	(2,073,444.47)	0.00	
5053200	FD-TITLE II TECH ASS	0.00	190,473.85	0.00	0.00	(190,473.85)	(180,385.68)	10,088.17	
5053300	FD-TITLE II-A GRANTS	0.00	2,325,125.86	0.00	0.00	(2,325,125.86)	(2,285,523.34)	39,602.52	
5054100	FD-STATE ASSESSMENT	3,584,559.00	3,539,027.90	0.00	0.00	45,531.10	(3,539,027.90)	0.00	
5054200	FD-TITLE II TECH AST	345,640.00	22,230.57	0.00	0.00	323,409.43	(22,230.57)	0.00	
5054300	FD-TITLE II-A GRANTS	13,256,575.00	9,963,310.93	0.00	0.00	3,293,264.07	(9,963,310.93)	0.00	
5112000	FD-TECH LITERACY	0.00	266,832.92	0.00	0.00	(266,832.92)	(266,832.92)	0.00	
5112001	FD-ENHANCING ED THRO	0.00	1,443,960.58	0.00	0.00	(1,443,960.58)	(1,443,960.58)	0.00	
5112100	FD-TECH LITERACY	0.00	1,287.52	0.00	0.00	(1,287.52)	(1,287.52)	0.00	
5114000	FD-TITLE IID ED TECH	1,623,560.00	1,050,294.58	0.00	0.00	573,265.42	(1,050,294.58)	0.00	
5114001	FD-TITLE IID ED TECH	1,527,111.00	619,685.38	0.00	0.00	907,425.62	(619,685.38)	0.00	
5114100	FD-TITLE IID ED TECH	64,299.00	1,137.22	0.00	0.00	63,161.78	(1,137.22)	0.00	
5131000	FED-RIGHT START	0.00	163,080.50	0.00	0.00	(163,080.50)	(163,080.50)	0.00	
5133000	FD-RIGHT START	0.00	643,830.07	0.00	0.00	(643,830.07)	(643,830.07)	0.00	
5134000	FD-FIE RIGHT START	1,092,849.00	588,139.56	0.00	0.00	504,709.44	(588,139.56)	0.00	
5212055	FED-CARL PERKINS NON	(15,000.00)	60,000.00	0.00	0.00	(75,000.00)	(60,000.00)	0.00	
5212072	FED-CARL PERKINS LEA	15,000.00	24,148.13	0.00	0.00	(9,148.13)	(24,148.13)	0.00	
5212090	FED-CARL PERKINS COR	0.00	498.70	0.00	0.00	(498.70)	(498.70)	0.00	
5213055	FD-VOC ED CP NTO	0.00	22,368.50	0.00	0.00	(22,368.50)	(22,368.50)	0.00	
5213070	FD-VOC ED CP ADMIN	0.00	86,137.49	0.00	0.00	(86,137.49)	(86,137.49)	0.00	
5213072	FD-VOC ED LEADERSHIP	0.00	231,638.71	0.00	0.00	(231,638.71)	(231,638.71)	0.00	
5213090	FD-VOC ED CP CORRECT	0.00	10,000.00	0.00	0.00	(10,000.00)	(10,000.00)	0.00	
5214055	FD-VOC ED CP NTO	65,000.00	0.00	0.00	0.00	65,000.00	0.00	0.00	
5214070	FD-VOC ED CP ADMIN	250,000.00	180,423.02	0.00	0.00	69,576.98	(180,423.02)	0.00	
5214072	FD-VOC ED LEADERSHIP	0.00	1,760.52	0.00	0.00	(1,760.52)	0.00	1,760.52	
5214090	FD-VOC ED CP CORRECT	10,000.00	10,000.00	0.00	0.00	0.00	(10,000.00)	0.00	
5222010	FED-CARL PERKINS SEC	0.00	21.32	0.00	0.00	(21.32)	(21.32)	0.00	
5223010	FD-VOC ED CP BASIC	0.00	316,883.34	0.00	0.00	(316,883.34)	(316,883.34)	0.00	
5223011	FD-VOC ED CP POS SEC	0.00	21,582.64	0.00	0.00	(21,582.64)	(21,582.64)	0.00	
5224010	FD-CARL PERKINS VOC	3,099,021.00	2,772,769.65	0.00	0.00	326,251.35	(2,772,769.65)	0.00	
5224011	FD-CARL PERKINS VOC	483,662.00	386,820.09	0.00	0.00	96,841.91	(386,820.09)	0.00	
5224072	FD-VOC ED LEADERSHIP	307,238.00	35,482.31	0.00	0.00	271,755.69	(35,482.31)	0.00	
5233100	FD-NATL ASSESSMENT O	(97,313.00)	(85,460.21)	0.00	0.00	(11,852.79)	0.00	(85,460.21)	
5242020	FED-VOC ED TECH PREP	0.00	10,168.89	0.00	0.00	(10,168.89)	(10,168.89)	0.00	
5242030	FED-VOC ED TECH PREP	0.00	1.44	0.00	0.00	(1.44)	(1.44)	0.00	

USDOE FD
 Funds
 GAPS/FD
 claimed all
 fund
 disbursed/A
 KSAS
 reflects Rev
 not Posted

Sec. 17(b)(1)(2)(2)

LC #	ENTITY DESCRIPTION	AUTH	ACTUALS	ENC	REST	BAL	REV	EXP/REV	66190/55910
5243020	FD-VOC ED TECH PREP	0.00	3,483.78	0.00	0.00	(3,483.78)	(3,483.78)	0.00	
5243030	FD-VOC ED TECH PREP	0.00	78,788.68	0.00	0.00	(78,788.66)	(78,788.66)	0.00	
5244020	FD-VOC ED TECH PREP	18,568.00	6,579.78	0.00	0.00	11,988.22	(6,579.78)	0.00	
5244030	FD-VOC ED TECH PREP	352,794.00	337,405.42	0.00	0.00	15,388.58	(337,405.42)	0.00	
5351155	FED-LEARN & SERVE FO	0.00	43,161.80	0.00	0.00	(43,161.80)	(43,161.80)	0.00	
5354155	FD-LEARN & SERVE FOR	53,292.00	14,566.05	0.00	(38,725.95)	0.00	(14,566.05)	0.00	
5512600	FED-GEAR UP GRANTS/A	0.00	20,195.80	0.00	0.00	(20,195.80)	(20,195.80)	0.00	
5513600	FD-GEAR UP GRANTS/A	0.00	217,247.54	0.00	0.00	(217,247.54)	(217,247.54)	0.00	
5513700	FD-GEAR UP SCHOLARS	0.00	350,000.00	0.00	0.00	(350,000.00)	(350,000.00)	0.00	
5514600	FD-GEAR UP GRANTS AD	888,708.00	635,055.27	0.00	0.00	253,652.73	(635,055.27)	0.00	
5514700	FD-GEAR UP SCHOLARS	350,000.00	0.00	0.00	0.00	350,000.00	0.00	0.00	
5522000	FED-TITLE II HIGHER	0.00	119.43	0.00	0.00	(119.43)	(119.43)	0.00	
5532001	FED-IKE PROF DEV MAT	0.00	18,109.14	0.00	0.00	(18,109.14)	(18,109.14)	0.00	
5532002	FED-TITLE II IKE PRO	0.00	15,572.08	0.00	0.00	(15,572.08)	(15,572.08)	0.00	
5532100	FED-TITLE II IKE PRO	0.00	337.26	0.00	0.00	(337.26)	(337.26)	0.00	
5532200	FED-TITLE II IKE STA	0.00	51.32	0.00	0.00	(51.32)	(51.32)	0.00	
5533000	FD-TITLE II-A HIGHER	0.00	212,649.26	0.00	0.00	(212,649.26)	(212,649.26)	0.00	
5534000	FD-TITLE II-A HIGHER	363,031.00	36,359.66	0.00	0.00	326,671.34	(36,359.66)	0.00	
5540700	FED-CHARTER SCHOOL	0.00	21,834.10	0.00	0.00	(21,834.10)	(21,834.10)	0.00	
5541700	FED-CHARTER SCHOOL	0.00	399,854.97	0.00	0.00	(399,854.97)	(399,854.97)	0.00	
5541800	FED-CHARACTER EDUCAT	0.00	2,071.03	0.00	0.00	(2,071.03)	(2,071.03)	0.00	
5541900	FED-IASA CONSOLIDATE	0.00	548.00	0.00	0.00	(548.00)	0.00	548.00	
5542700	FED-CHARTER SCHOOLS	0.00	726,292.49	0.00	0.00	(726,292.49)	(726,292.49)	0.00	
5543900	FED-IASA CONSOLIDATE	564.80	280,871.32	0.00	0.00	(280,306.52)	(280,871.32)	0.00	
5544300	FD-MATHEMATICS & SCI	499,218.00	210,142.19	0.00	0.00	289,075.81	(210,142.19)	0.00	
5544700	FD-CHARTER SCHOOL	1,750,000.00	159,492.38	0.00	0.00	1,590,507.62	(159,492.38)	0.00	
5544900	FD-NCLB CONS ADMIN	959,212.00	684,159.70	0.00	0.00	275,052.30	(684,159.70)	0.00	
5552500	FED-FIE EARMARK-SCHO	0.00	243.30	0.00	0.00	(243.30)	(243.30)	0.00	
5553500	FD FIE HIGH INTENSIT	0.00	5,492.94	0.00	0.00	(5,492.94)	(5,492.94)	0.00	
5562100	FED-TEACHER RECRUIT	0.00	349,864.44	0.00	0.00	(349,864.44)	(349,864.44)	0.00	
5562500	FD-TROOPS TO TEACHER	188,326.00	140,068.28	0.00	0.00	48,257.72	(140,068.28)	0.00	
5563100	FD-TEACHER RECRUIT A	0.00	445,287.26	0.00	0.00	(445,287.26)	(445,287.26)	0.00	
5563600	FD-ALASKA ONLINE	0.00	91,908.57	0.00	0.00	(91,908.57)	(91,908.57)	0.00	
5564100	FD-TEACHER RETENTION	1,490,249.00	511,594.37	0.00	0.00	978,654.63	(511,594.37)	0.00	
5614530	GF-QUALITY SCHOOLS	5,090,400.00	5,090,400.00	0.00	0.00	0.00	(5,090,400.00)	0.00	
5614531	GF-QUALITY SCHOOLS	59,900.00	59,900.00	0.00	0.00	0.00	(59,900.00)	0.00	
5614535	GFM-QUALITY SCHOOLS	190,100.00	190,100.00	0.00	0.00	0.00	(190,100.00)	0.00	
5614945	GF/MH-SPECIAL & SUPP	0.00	590.06	0.00	0.00	(590.06)	0.00	590.06	(1,161.84)
5794099	FD-UNALLOC QUALITY S	2,937,517.11	0.00	0.00	0.00	2,937,517.11	0.00	0.00	
5894010	CO NAEP	99,237.00	42,240.31	0.00	0.00	56,996.69	(42,240.31)	0.00	
5899010	CO-COMMON CORE DATA	51,882.00	127,102.68	0.00	0.00	(75,220.59)	(41,612.17)	85,460.21	
		40,424,848.80	40,424,848.80	0.00	(38,725.95)	(38,725.95)	(40,372,085.40)	52,783.40	
5000095	+ LC FOR ADJUSTMENTS F	2,429,451.20				2,429,645.33			
	TOTAL AUTH EXP AR 17720-04	42,854,300.00				2,390,919.38			
	Less GF	(5,340,400.00)	(5,340,990.06)	0.00	0.00	590.06	5,341,561.84	(1,161.04)	
		37,513,900.00	35,083,858.74	0.00	(38,725.95)	2,391,509.44	(35,030,503.58)	51,621.58	SHORTFALL

Sec. 14(b)(1)(A)(2)

17721-05 QUALITY SCHOOLS OPER

05113017-05 QUALITY SCHOOLS		RRN234112 AR by LC BY EX							66190/59510
LC	ENTITY DESCRIPTION	AUTH	ACTUALS	ENC	REST	BAL	REVENUE	EXP/REV	
5000095	LC FOR ADJUSTMENTS F	(10,887,431.71)	0.00	0.00	0.00	(10,887,431.71)	0.00	0.00	
5043101	FD-TITLE V LEA GRANT	0.00	9,092.30	0.00	0.00	(9,092.30)	(9,092.30)	0.00	
5043200	FD-TITLE V TARGETED	0.00	47,444.02	0.00	0.00	(47,444.02)	(47,444.02)	0.00	
5044250	FD-TITLE V GRANTS	0.00	560,698.86	0.00	0.00	(560,698.86)	(560,698.86)	0.00	
5044251	FD-TITLE V TARGETED	0.00	85,952.59	0.00	0.00	(85,952.59)	(85,952.59)	0.00	
5045250	FD-TITLE V GRANS	1,284,637.00	729,219.37	0.00	0.00	555,417.63	(729,219.37)	0.00	
5045251	FD-TITLE V TARGETED	187,728.00	11,516.38	0.00	0.00	176,209.62	(11,516.38)	0.00	
5045305	CO-AP TEST FEE	8,600.00	5,772.00	0.00	0.00	2,828.00	(5,772.00)	0.00	
5045308	CO-AP TEST FEE WICHE	10,750.00	0.00	0.00	0.00	10,750.00	0.00	0.00	
5053100	FD-STATE ASSESSMENT	0.00	63,414.90	0.00	0.00	(63,414.90)	(63,414.90)	0.00	
5053200	FD-TITLE II TECH ASS	0.00	39,533.44	0.00	0.00	(39,533.44)	(3,860.52)	35,872.92	
5053300	FD-TITLE II-A GRANTS	0.00	(290.00)	0.00	0.00	290.00	290.00	0.00	
5054100	FD-STATE ASSESSMENT	0.00	33,328.03	0.00	0.00	(33,328.03)	(33,328.03)	0.00	
5054200	FD-TITLE II TECH AST	0.00	323,409.43	0.00	0.00	(323,409.43)	(323,409.43)	0.00	
5054300	FD-TITLE II-A GRANTS	0.00	3,293,264.07	0.00	0.00	(3,293,264.07)	(3,293,264.07)	0.00	
5055100	FD-STATE ASSESSMENT	3,598,509.00	2,302,406.67	0.00	0.00	1,296,102.33	(2,302,406.67)	0.00	
5055200	FD-TITLE II-A TECH A	345,555.00	21,111.97	0.00	0.00	324,443.03	(21,111.97)	0.00	
5055300	FD-TITLE II-A-GRANTS	13,253,303.00	9,066,230.48	0.00	0.00	4,187,072.52	(9,066,230.48)	0.00	
5055500	FD-TITLE II-A HIGHER	362,946.00	0.00	0.00	0.00	362,946.00	0.00	0.00	
5112001	FD ENHANCING ED THRO	0.00	16,656.42	0.00	0.00	(16,656.42)	10,472.31	27,128.73	
5112100	FD-TECH LITERACY	0.00	80,281.48	0.00	0.00	(80,281.48)	(13,921.13)	48,360.35	
5114000	FD-TITLE IID ED TECH	0.00	498,108.71	0.00	0.00	(498,108.71)	(498,108.71)	0.00	
5114001	FD-TITLE IID ED TECH	0.00	635,496.39	0.00	0.00	(635,496.39)	(635,496.39)	0.00	
5114100	FD-TITLE IID ED TECH	0.00	50,223.40	0.00	0.00	(50,223.49)	(50,223.49)	0.00	
5115000	FD-TITLE IID FORMULA	1,701,719.00	1,435,061.18	0.00	0.00	266,657.82	(1,435,061.18)	0.00	
5115001	FD-TITLE IID COMPETI	1,538,503.00	569,825.62	0.00	0.00	968,677.38	(569,825.62)	0.00	
5115100	FD-TITLE IID STATE A	66,089.00	46,244.27	0.00	0.00	19,844.73	(46,244.27)	0.00	
5134000	FD-FIE RIGHT START	0.00	504,709.44	0.00	0.00	(504,709.44)	(504,709.44)	0.00	
5135000	FD-FIE RIGHT START	394,100.00	507,160.01	0.00	0.00	485,939.99	(507,160.01)	0.00	
5172200	SD-AP INCENTIVE GRT	0.00	214.72	0.00	0.00	(214.72)	(214.72)	0.00	
5173200	SD-AP INCENTIVE GRAN	0.00	2,640.54	0.00	0.00	(2,640.54)	(2,640.54)	0.00	
5213055	FD-VOC ED CP NTO	0.00	52,631.50	0.00	0.00	(52,631.50)	(52,631.50)	0.00	
5213072	FD-VOC ED LEADERSHIP	0.00	14,915.83	0.00	0.00	(14,915.83)	(14,915.83)	0.00	
5214055	FD-VOC ED CP NTO	0.00	30,230.71	0.00	0.00	(30,230.71)	(30,230.71)	0.00	
5214070	FD-VOC ED CP ADMIN	0.00	69,830.50	0.00	0.00	(69,830.50)	(69,830.50)	0.00	
5214072	FD-VOC ED LEADERSHIP	0.00	(1,760.52)	0.00	0.00	1,760.52	0.00	(1,760.52)	
5224010	FD-CARL PERKINS VOC	0.00	326,251.35	0.00	0.00	(326,251.35)	(326,251.35)	0.00	
5224011	FD-CARL PERKINS VOC	0.00	98,841.91	0.00	0.00	(98,841.91)	(98,841.91)	0.00	
5224072	FD-VOC ED LEADERSHIP	0.00	257,718.22	0.00	0.00	(257,718.22)	(257,718.22)	0.00	
5225012	FD-VOC ED LEADERSHIP	312,238.00	6,339.02	0.00	0.00	305,898.98	(6,339.02)	0.00	
5225013	FD-VOC ED NON TRADIT	80,000.00	1,499.17	0.00	0.00	58,500.83	(1,499.17)	0.00	
5225014	FD-VOC ED CP CORRECT	10,000.00	9,050.00	0.00	0.00	950.00	(9,050.00)	0.00	
5225015	FD-CARL PERKINS SECO	3,099,021.00	2,709,793.59	0.00	0.00	389,227.41	(2,709,793.59)	0.00	
5225016	FD-CARL PERKINS POST	483,682.00	149,489.92	0.00	0.00	335,192.08	(149,489.92)	0.00	
5225070	FD-VOC ED CP ADMIN	250,000.00	202,688.84	0.00	0.00	47,311.16	(202,688.84)	0.00	
5244020	FD-VOC ED TECH PREP	0.00	11,988.00	0.00	0.00	(11,988.00)	(11,988.00)	0.00	
5244030	FD-VOC ED TECH PREP	0.00	15,388.58	0.00	0.00	(15,388.58)	(15,388.58)	0.00	
5245021	FD-VOC ED TECH ADMIN	18,287.00	8,027.35	0.00	0.00	10,259.65	(8,027.35)	0.00	
5245022	FD-VOC ED TECH PREP	347,459.00	140,499.45	0.00	0.00	206,959.55	(140,499.45)	0.00	
5513600	FD-GEAR UP GRANTS/A	0.00	0.34	0.00	0.00	(0.34)	(0.34)	0.00	

FFY03-05 Grant FD Title II USDOE per GAPS, All REV was Disbursed to EED

Total \$73,489.08 FFY03-05 USDOE FD Grant Tech Literacy. Per GAPS all funds were disbursed to EED

Sec. 14(b)(1)(A)(2)

LC	ENTITY DESCRIPTION	AUTH	ACTUALS	ENC	PEST	BAL	REVENUE	EXP/REV	66190/59510
5514600	FD-GEAR UP GRANTS AD	0.00	253,653.16	0.00	0.00	(253,653.16)	(253,653.16)	0.00	
5514700	FD-GEAR UP SCHOLARS	0.00	350,000.00	0.00	0.00	(350,000.00)	(350,000.00)	0.00	
5515600	FD-GEAR UP ADMIN GRA	977,582.00	766,037.27	0.00	0.00	211,544.73	(766,037.27)	0.00	
5515700	FD-GEAR UP SCHOLARS	350,000.00	0.00	0.00	0.00	350,000.00	0.00	0.00	
5533000	FD-TITLE II-A HIGHER	0.00	18,549.08	0.00	0.00	(18,549.08)	(18,549.08)	0.00	
5534000	FD-TITLE II-A HIGHER	0.00	277,531.40	0.00	0.00	(277,531.40)	(277,531.40)	0.00	
5541700	FED-CHARTER SCHOOL	0.00	2,587.84	0.00	0.00	(2,587.84)	(2,587.84)	0.00	
5542700	FED-CHARTER SCHOOLS	0.00	4,898.35	0.00	0.00	(4,898.35)	(4,898.35)	0.00	
5544300	FD-MATHEMATICS & SCI	0.00	287,706.92	0.00	0.00	(287,706.92)	(287,706.92)	0.00	
5544700	FD-CHARTER SCHOOL	2,111,000.00	1,478,316.69	0.00	0.00	671,083.31	(1,478,316.69)	0.00	
5544900	FD-NCLB CONS ADMIN	0.00	275,052.30	0.00	0.00	(275,052.30)	(275,052.30)	0.00	
5545311	FD-MATHEMATICS & SCI	741,650.00	203,062.42	0.00	0.00	538,787.58	(203,062.42)	0.00	
5545900	FD-NCLB CONS ADMIN	1,059,057.00	900,632.07	0.00	0.00	158,424.93	(900,632.07)	0.00	
5555600	FD-FIE MENTORSHIP &	1,988,200.00	523,382.73	0.00	0.00	1,464,817.27	(523,382.73)	0.00	
5562500	FD-TROOPS TO TEACHER	153,183.00	161,531.62	0.00	0.00	(8,348.62)	(161,531.62)	0.00	
5563100	FD-TEACHER RECRUIT A	0.00	416,914.51	0.00	0.00	(416,914.51)	(416,914.51)	0.00	
5563600	FD-ALASKA ONLINE	0.00	15,000.00	0.00	0.00	(15,000.00)	(15,000.00)	0.00	
5564100	FD-TEACHER RETENTION	0.00	978,654.63	0.00	0.00	(978,654.63)	(978,654.63)	0.00	
5615530	GF-QUALITY SCHOOLS	5,087,000.00	5,087,000.00	0.00	0.00	0.00	(5,087,000.00)	0.00	(40,380.41) 66190
5615531	GF-QUALITY SCHOOLS	59,800.00	59,800.00	0.00	0.00	0.00	(59,800.00)	0.00	
5615532	GF-S/W CORRESPONDENC	119,500.00	119,500.00	0.00	0.00	0.00	(119,500.00)	0.00	
5616535	GFM-QUALITY SCHOOLS	191,700.00	191,700.00	0.00	0.00	0.00	(191,700.00)	0.00	
5795099	FD-UNALLOCATED QS	7,370,083.00	0.00	0.00	0.00	7,370,083.00	0.00	0.00	
5894010	CO NAEP	116,044.00	92,859.09	0.00	0.00	23,184.91	(92,859.09)	0.00	
5894080	CO PBDMI EDEN	100,000.00	15,383.66	0.00	0.00	84,616.34	(15,383.66)	0.00	
5899010	CO-COMMON CORE DATA	0.00	7,592.78	0.00	0.00	(7,592.78)	(7,592.78)	0.00	
		37,507,468.29	37,506,297.96	0.00	0.00	1,170.33	(37,398,696.48)	107,601.48	SHORTFALL
	LC FOR ADJUSTMENTS F	10,887,431.71	0.00	0.00	0.00	10,887,431.71			
		48,394,900.00	37,506,297.96	0.00	0.00	10,888,602.04			
	Less GF	(5,457,800.00)	(5,457,800.00)	0.00	0.00	0.00	5,457,800.00		
		42,937,100.00	32,048,497.96				(31,940,896.48)		

Sec. 14(b)(1)(2)

AR 23020-2005 Behavioral Health Medicaid - \$3,051,774.30

The Department of Health and Social Services, Division of Behavioral Health, requests a ratification of an under collection of \$3,051,774.30 in federal receipts in FY2005.

Background:

The Department of Health and Social Services, Division of Behavioral Health, requests ratification of \$3,051,774.30 due to under collection of federal receipts and higher costs than projected in FY2005.

DBH Medicaid Costs -

A combination of growth in costs for DBH Medicaid services of 9%, along with a slightly lower federal collection rate than projected, resulted in a SFY05 shortfall of \$3,621,063.58 general funds. This shortfall was offset by \$569,269.28 of available general fund lapse balance within the Behavioral Health RDU, resulting in a lower ratification request.

SFY05 followed a period of rapid growth for all categories of Medicaid services. Though the department attempted to accurately project the general fund need for the year, there was a shortfall of \$3,621,063.58 which represents 2.83% of the DBH Medicaid budget for the year.

The average number of beneficiaries grew 6% while the cost per recipient rose 3%. Most of the increased costs were in the Residential Psychiatric Treatment Center (RPTC) and Inpatient Psych Hospitals (IP Psych), with increases of 14% and 15% respectively. Though increases were anticipated, the actual increases exceeded the projections.

Along with the increase in costs in Residential Psychiatric Treatment Center and IP Psych, there was an unexpectedly large increase in Mental Health Services during the last half of the year. Expenditures increased by almost \$3 million over the midyear projections.

In addition, the federal reimbursement rate is difficult to project as it varies based on the types of services provided, the client's eligibility and the type of provider. As these factors shift constantly, it is difficult to predict specifically the rate and consequently the general fund needed.

AR 23301-2005 Health Care Services Medicaid - \$2,606,666.14

The Department of Health and Social Services, Division of Health Care Services requests ratification of an under collection of \$2,606,666.14 of federal receipts in FY 2005.

Background:

Medicaid costs –

A combination of growth in costs for HCS Medicaid services of 11%, along with a slightly lower federal collection rate than projected and a negative adjustment of computable costs, resulted in a SFY05 shortfall of \$2,606,666.14 general fund.

SFY05 followed a period of rapid growth for all categories of Medicaid services. Though the department attempted to accurately project the general fund need for the year, there was a shortfall of \$2,606,666.14 which represents .42% of the HCS Medicaid budget for the year.

The number of Medicaid recipients grew 9% and the cost-per-recipient rose 1%. Most of the increased costs were in Physician Services and Hospitals, with increases of 18% and 7% respectively. Though increases were anticipated, the actual increases exceeded the projections.

Another factor in this revenue shortfall is the compilation of federal changes in policy and federal deferrals and/or disallowances that impact the timing of receipt of federal funds or the federal funding being withheld.

In addition, the federal reimbursement rate is difficult to project as it varies based on the types of services provided, the client's eligibility and the type of provider. As these factors shift constantly, it is difficult to predict specifically the rate and consequently the general fund needed.

AK 23551 Senior and Disabilities Medicaid - \$349,170.66

The Department of Health and Social Services, Division of Senior and Disabilities Services requests ratification of an under collection of \$349,170.66 in federal receipts in FY2005.

Background:

A combination of growth in costs for SDS Medicaid services of 9%, along with a slightly lower federal collection rate than projected, resulted in a SFY05 shortfall of \$349,170.66 general fund.

SDS Medicaid Costs -

A combination of growth in costs for SDS Medicaid services of 9%, along with a slightly lower federal collection rate than projected, resulted in a SFY05 shortfall of \$349,170.66 general funds.

SFY05 followed a period of rapid growth for all categories of Medicaid services. SDS Medicaid's Personal Care Services (PCA) was the fastest growing of all Medicaid services, making it difficult to accurately project. In SFY05, PCA, with a 12% increase in recipients and a 23% increase in claims payments over the prior year, accounted for 70% of the total increase in costs in SDS Medicaid. Though the department attempted to accurately project the general fund need for the year, there was a shortfall of \$349,170.66 general fund which represents .14% of the SDS Medicaid budget for the year.

In addition, the federal reimbursement rate is difficult to project as it varies based on the types of services provided, the client's eligibility and the type of provider. As these factors shift constantly, it is difficult to predict specifically the rate and consequently the general fund needed.

STATE OF ALASKA /


Sec. 14(c)
DEPARTMENT OF CORRECTIONS

MEMORANDUM

Office of the Commissioner
PO Box 112000
Juneau, Alaska 99811
Phone (907) 465-4652 Fax (907) 465-3390

TO: Joan Brown, Chief Budget Analyst
Division of Budget Review
Office of Management and Budget

DATE: February 9, 2007

FROM: Dwayne Peoples 
Deputy Commissioner

SUBJECT: ADN# 2070048
Ratification / FY06 RSA

The Department of Corrections seeks legislative ratification for expenditures charged to the Out-of-State Contractual component, located within the Administration and Support RDU, resulting from expenditures rendered by various correctional center components located within the Institutional Facilities RDU. This ratification has a net cost of zero

A Reimbursable Services Agreement for fiscal year 2006 Prisoner Housing was prepared and approved which allowed for in-state correctional facilities to provide housing for inmates pending the availability of contracted bed space in Arizona. For prisoner population management purposes, the department planned to increase the number of offenders housed in the Arizona contract facility in efforts to maintain the in-state population at 108% of emergency capacity. Regrettably, due to delays, only 50 of the planned 240 offenders were transported to Arizona. Therefore, the in-state institutions were required to provide the service of housing the remaining 190 offenders.

The department respectfully requests approval of this ratification.

SARAH PALIN
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 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 article III, section 18 of the Alaska Constitution, I am transmitting to you today a supplemental appropriation bill for Fiscal Year 2007 that totals \$51.4 million in general funds. This reflects necessary program cost increases for the remainder of Fiscal Year 2007. For your consideration, there is a separate section in the appropriation bill for issues that are time sensitive. These requests total \$8.5 million in general funds, and could be shifted to the early supplemental bill, SB 61, at your discretion.

The remaining items in the supplemental bill total \$42.9 million in general funds. The largest item in the "regular" portion of the measure is \$17.7 million in general funds for capitalizing the disaster relief fund for costs associated with the Hooper Bay fire, Southcentral flood, Southern storm and damage to the Kivalina sea wall. This bill also has \$21.3 million in general funds for the Alaska Marine Highway System, including \$10.7 million to eliminate the negative balance in the marine highway fund. This is due in large part to the undercollection of revenues to support the amounts appropriated from that fund for the operation of the system.

I appreciate your consideration of this supplemental request.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Palin".

Sarah Palin
Governor

SARAH PALIN
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 2007

The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of article III, section 18 of the Alaska Constitution, I am transmitting to you today a supplemental appropriation bill for Fiscal Year 2007 that totals \$51.4 million in general funds. This reflects necessary program cost increases for the remainder of Fiscal Year 2007. For your consideration, there is a separate section in the appropriation bill for issues that are time sensitive. These requests total \$8.5 million in general funds, and could be shifted to the early supplemental bill, HB 107, at your discretion.

The remaining items in the supplemental bill total \$42.9 million in general funds. The largest item in the "regular" portion of the measure is \$17.7 million in general funds for capitalizing the disaster relief fund for costs associated with the Hooper Bay fire, Southcentral flood, Southern storm and damage to the Kivalina sea wall. This bill also has \$21.3 million in general funds for the Alaska Marine Highway System, including \$10.7 million to eliminate the negative balance in the marine highway fund. This is due in large part to the undercollection of revenues to support the amounts appropriated from that fund for the operation of the system.

I appreciate your consideration of this supplemental request.

Sincerely,

A handwritten signature in black ink that reads "Sarah Palin". The signature is fluid and cursive, with a large loop at the end.

Sarah Palin
Governor